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Correspondence on editorial matters should be addressed to the Editor, *The World Today*, The Royal Institute of International Affairs, Chatham House, 10 St James's Square, S.W.1.

Notes of the month

The future of South Arabia

THE future of South Arabia—Aden, the Federation, and the remaining British Protectorates—is not only a major problem in itself, but is also the main issue hampering good relations between Britain and the United Arab Republic. The inability of the South Arabian rulers and politicians to agree their future among themselves and the spate of almost daily bomb outrages and incidents have stultified the opportunity for a fresh approach to the problem which the advent of a new British Government presented. The U.A.R.'s intransigence over the British base at Aden and over Yemen's relations with South Arabia, coupled with her open encouragement of terrorism, has brought the initiative towards closer Anglo-Egyptian relations to naught.

It is significant that while a conference on South Arabia's future, scheduled for 2 March in London, could not convene and has been postponed indefinitely, a meeting called by the Arab League on the same subject in Cairo on 11 March duly met and had some success. In the present atmosphere of insecurity and emergency measures, it is difficult to see much light being cast at the moment on the future in South Arabia but, given some measure of compromise, a London conference could still be held before mid-1965, and there has been a glimmer of hope from the Cairo meeting.

South Arabia is, according to British plans, to be an independent sovereign State by 1968. The constitutional conference which was to be held in London had the two interwoven tasks of deciding on the timing of the steps towards independence and on the form of the new State. The first objective was set for it by the agreement reached at the last such conference in London in July 1964, which envisaged strengthening the existing federal system. The second one arises from the decision of a Ministerial committee of the Federation and Aden Governments, taken during the visit last December of Mr Anthony Greenwood, the new British Colonial Secretary, to replace the federal by a unitary system of government. The principle of unitary government indicated a welcome willingness by the two Governments to co-operate but, in the intervening months, the attempt to translate principle into practice and to lay down the detailed unitary basis has belied this appearance of co-operation. Joint meetings between the two Governments in February made little

progress, and the possibility of an agreed approach to the British Government eventually foundered on the form of representation—as observers or as full participants—which the main States of the Eastern Protectorate, still outside the Federation, should be allowed at the London conference.

Britain, in the persons both of the Colonial Secretary and of the High Commissioner on the spot, has been anxious to encourage co-operation while at the same time interfering as little as possible, but an attempt to prevent the situation growing worse, by banning a strongly worded statement by the Aden State Government on the participation of the Eastern Protectorate States, brought on the indignant resignation of the Government of Mr Zein Baharoon. The High Commissioner has since been attempting to reconcile the opposing viewpoints and to gain the full co-operation of the Eastern Protectorate States, but the attitude of the new Aden State Government, under Mr Abdel-Qawi Mekkawi, has not yet become clear.

These negotiations and disputes on the constitutional future have all been between the rulers and politicians already in power. What Mr Greenwood hoped to achieve at the London conference was a much wider consensus on South Arabia's future by including at the talks delegations from the two main Opposition parties, whose following is chiefly in Aden State but who do represent such nationalist opinion as is spread throughout the territory. These two parties, the People's Socialist Party and the South Arabia League, at first showed willingness to come to London but, through a combination of dissatisfaction with the imprecise agenda and distaste for the present state of emergency—which, in view of the continued terrorism, has had to be maintained by the Federal authorities under British guidance—they both refused at the last moment.

Both of these parties, PSP and SAL, have been taking part in the Cairo meeting called by the Arab League Committee on South Arabia to co-ordinate nationalist movements; and the glimmer of hope comes from the decision they made that constitutional means towards 'liberation' should not be thrown overboard. Apart from the exiled Sultans of Lahej and Fadhli and dissident tribal leaders, the other main Adeni participant in the Cairo meeting was the National Liberation Front, which, with Egyptian and Yemeni backing, has for the past twenty months been organizing terrorism and which has stood out for liberation by armed revolt alone. The NLF leader, Qahtan al-Shaabi, has in recent months appeared to replace Abdallah al-Asnag of the PSP as the Cairo favourite among Adeni nationalists; and, to the temporary detriment of the PSP, the armed resistance of the NLF has had full U.A.R. backing. The NLF, however, both through its methods and because of its insistence on Aden forming part of a greater Yemen, has antagonized many Adenis,

both moderate and nationalist, and the U.A.R. Government may have over-played its hand in giving the NLF its outright support.

The U.A.R. is not the only Arab Government with strong feelings on the liberation of Aden, and the Arab League as a whole, represented on the Committee for South Arabia by members from Kuwait, Saudi Arabia, Tunisia, and Yemen as well as the U.A.R., takes a less extreme view. The pact which the nationalists attempted to agree on at Cairo under the Committee's aegis, allows for a political settlement of South Arabia's future, and no longer demands preconditions, unacceptable to Britain, before the nationalists will negotiate. However, the NLF was not prepared to accept negotiation and it will continue, with U.A.R. backing, to use armed force as the means towards its avowed aims of expelling the British and linking South Arabia with Yemen. The glimmer of hope from the Cairo meeting comes in the very extremism of the NLF in the pursuit of what are more than Adeni causes, and the opportunity that al-Asnag and the PSP therefore now have of showing up this alienation of the NLF from the true interests of the Aden people.

The two external factors in South Arabia's future—the British base and relations with Yemen—command a much greater prominence in the Arab press than they do in Aden and the Federation. The removal of the base and agreement on Aden–Yemen relations no longer are conditions for negotiation; both are factors which can be dealt with nearer to the time of independence.

The British military presence in Aden has in the past had three roles: that of a base in a chain of bases required in terms of the global strategy of Britain and the Western alliance; that of a back-stop for the carrying out of Britain's commitments in the Persian Gulf and elsewhere in the region; and that of the major element in the defence of South Arabia itself and the maintenance of its internal security. The new British Government has made it clear that for the foreseeable future the base is required in its global strategic role. At the same time, while honouring treaty obligations to the Gulf rulers and those in South Arabia itself, it would no doubt like to cut down on the regional and internal roles. This would involve a reassessment of Britain's treaty relations in the whole area, and would presuppose internal peace in South Arabia. Neither the reassessment, while calls on British assistance are unlikely to diminish, nor the achievement of internal security is a practical proposition for the present, but both will be necessary if the British military presence is to be restricted to a strategic base within a sovereign base area—and this seems to be the only British role in the area acceptable to a freely elected government of the future independent State of South Arabia.

The very idea of any British military presence on Arab soil is anathema to President Abdel-Nasser and to nationalists, if not to all the rulers, throughout the Arab world; and any Aden base, even divested of its

peace-keeping roles regionally and internally, will continue to be under constant verbal attack. The attitude of the South Arabian rulers and politicians is, however, different. In Aden State the economic advantages of the base, in terms of employment and local expenditure and as a lever for obtaining direct financial aid, are appreciated, but no nationalist government there is likely to enter into an agreement with Britain for an indefinitely prolonged British military presence. If a fixed base of this sort is required for the strategic role, it will be necessary for Britain to put a definite date on its eventual closure, in order to ensure that it is in the meantime maintained with local co-operation. The rulers of the Protectorate States, both within and outside the existing Federation, rely on the British military presence for protection and internal security but, in a unitary State with adequate military resources of its own, this reliance could be reduced and eventually eliminated.

The call for unity with Yemen, which grew particularly strong at the time of the Yemeni revolution in 1962, has now much abated. Enthusiasm for the promise which the revolutionary regime at first showed has largely passed into disillusionment with the continuance of civil war, the dominant role which the U.A.R. forces and Egyptian civil advisers continue to play in the Republic, and the lack of stability among the republican leaders themselves. The economic progress in the Yemen Republic, while showing up the inadequacy of past development plans in South Arabia, has not been so great as to attract Adenis towards loyalty to Yemen nor to consider submerging their own interests in those of a larger State still rent by divisions. It is noteworthy that Abdallah al-Asnag, the leader of the PSP, which has strong backing from Yemenis living in Aden, made a point in Cairo of stressing that any agreement among the nationalist groups must on no account commit them to abandoning South Arabia's right to self-determination, which, in the present context, means its right to remain an independent Arab State.

The use to which Adeni politicians have put the call for unity with Yemen in the past has a parallel in the call of Sudanese nationalists for unity with Egypt in the 1950s. Both were used to embarrass the then occupying Power, the British. Taking the parallel further, as Egypt made more of the Sudanese call for unity than the Sudanese nationalists themselves, so too the U.A.R. and Yemen today make more of Adeni desires for unity with Yemen than do the Adenis at home. While several Adeni political parties are now on record as favouring a referendum on unity with Yemen, the Sudanese were also—until independence was in sight, and it was independence that was chosen without need for a referendum.

In terms of British policy, there remains rather more than three years before an independent South Arabian State is due to emerge; but this is the maximum period of time and, if South Arabia follows the pattern of other emergent States, it may well be much shorter. While the external

factors affecting progress to independence will continue to cause pressures, and the lack of internal security may hamper British efforts to provide the stability needed as a background to successful negotiations, effective decision on the steps now to be taken lies with the rulers and politicians in South Arabia. Now that the Cairo meeting is over and such nationalists as al-Asnag can freely return to Aden, there is a chance that rivalries can be overcome on the spot before another attempt is made to bring all sides around a conference table in London.

PETER KILNER

New cereals proposals

THE question of a new international cereals agreement will be discussed in GATT in April. Speaking in London on 18 March, Dr Mansholt, the Vice-President of the EEC Commission with special responsibilities for agriculture, gave an outline of the type of agreement the Commission will propose.

Dr Mansholt agreed with the now generally accepted view that any new cereals agreement should cover coarse grains as well as wheat. He stressed that the existing international wheat agreement had only been able to function because of American stockpiling; had the United States unloaded all her stocks indiscriminately on to the world market, it would have been impossible to maintain prices. Any new agreement would also depend on storing stocks surplus to current requirements, but this should not be solely the responsibility of the United States, but should be shared by the various participating countries. Such has long been the American view, and this part of the proposal will no doubt be welcomed by the American Government.

But stocks should not be allowed to become too great, and Dr Mansholt therefore gave warning that production controls might have to be introduced in the participating countries. Various mechanisms for controlling production already exist—standard quantities in the United Kingdom, for instance, and the soil bank in the United States—and Dr Mansholt suggested that a reduction in producer prices might have to be considered as a possible method. Coming so soon after the agreement on cereals prices in the Community, this is on the surface a brave suggestion. It would be politically impossible to propose reducing cereals prices in the Community immediately; but it will take a considerable time to reach agreement in GATT, and Dr Mansholt is no doubt counting on a delay of two years or so in which to pave the way.

Trade in cereals under a new agreement would be based on an international reference price, and Dr Mansholt thought this would have to be fixed at the North American rather than the Community level. He specifically rejected the Baumgartner–Pisani plan,[1] adumbrated by M. Baum-

[1] See 'Temperate foodstuffs and the Commonwealth Conference' by the present writer, in *The World Today*, September 1962.

gartner in the GATT Ministerial meeting of November 1961, which would have set world prices at an artificially high level and forced importing countries to pay through the nose for their supplies. France and the Commission have hitherto tended to stand shoulder to shoulder on agricultural policy, but Dr Mansholt's dismissal of the French proposal suggests that the Commission is prepared to come down on the side of realism rather than back France's export aims.

Finally Dr Mansholt proposed that countries which signed the agreement should be able to put up barriers against non-members to avoid eroding the benefits of stockpiling and trade at an agreed level of prices. Non-member countries which tried to unload their surplus production would find no buyers among countries which had agreed to control their own production.

So far there is only this broad outline to go on, and there will be many questions to settle in negotiation. Equitable means of financing the stockpiling will have to be devised. The basis of trade with non-member countries, particularly those in the Communist bloc, will have to be determined. There is so far no indication of the relationship of the proposed reference price to the calculation of the level of support if, as Dr Mansholt has previously proposed, the support level is to be frozen. There are many problems, but the Commission appears to be offering a realistic starting-point for discussion.

TREVOR PARFITT

South East Asia and the Powers

CORAL BELL

The endemic troubles of South East Asia tend to induce a view of the area as a sort of natural and inevitable Balkans, a congeries of small weak peoples leaned on, or potentially leaned on, from every side by stronger peoples, as well as plagued by local enmities and destabilizing minorities. Recent events in Vietnam particularly reinforce this impression, for since the U.S. air-strikes of February and the Russian visit to Hanoi, the trial of strength and intentions between the outside Powers has overshadowed the divisions, real as they are, between the Vietnamese of the North and of the South. This is not to say that the final decision (if there is one within the foreseeable future, and whether it is military or diplomatic) can ignore the strength of particular currents of political feeling among the Vietnamese. But the prospects cannot be assessed without analysis of the Powers' estimates of their own respective interests in Vietnam and in South East Asia generally. One must add the wider context of South East Asia to that of the particular crisis of South Vietnam, since that unhappy small country is perhaps seen by all the Powers rather as a token, or the hinge to a door, than as a vital interest in itself.

Looking at the area first as a set of problems facing Western policy-makers, one may say that the issues reduce themselves—though one could hardly say simply—to three categories: those of the containment of Chinese power, those of the ambiguities and harassments of Indonesian policy, and those of the uncertainties and weaknesses of the minor countries. There is not much point in trying to disentangle these three sets of issues from each other, since it is precisely their intertwinedness that is the distinguishing characteristic of the situation from the viewpoint of Western policy. This is one of those situations where the whole is a good deal more than the sum of the parts, and it is therefore positively misleading to attempt to consider the problems of Laos and Cambodia or Borneo in isolation.

It is more difficult to assess the aspect that the situation wears from 'the other side of the hill', that is from the viewpoint of China and Russia. One might venture an assumption that from Peking it may look much as Latin America would look to Washington if the Monroe Doctrine had been

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shattered for a hundred years and the opportunity then seemed to be presenting itself to restore the *status quo ante*. Before the West impinged on South East Asia, Chinese ascendancy over the area was certainly as great as U.S. ascendancy over Latin America in the palmiest days of the Monroe Doctrine, round about the time of the Roosevelt corollary, and equally regarded as part of the natural order of history. Looking at the course of Chinese diplomacy since China effectively re-entered the conversation of the Great Powers, at the 1954 Geneva conference, one cannot but be struck by how steadily, and with how considerable a degree of success, Mr Chou En-lai has worked to re-establish China's old sphere of influence in this part of the world.

Russian Interests

China has both traditional and revolutionary ideological interests in South East Asia: Russia has only the latter variety. South East Asia is a long way from any traditional Russian sphere of power; it is only in the light of the challenge to her position as the leader of a revolutionary camp that a rationale can be found for her recent policies. In South East Asia Russia is subject to a squeeze between her interests in avoiding 'confrontation' with the United States (this being the situation of greatest danger to genuinely vital Russian interests) and the opposite and perhaps almost equal danger of losing to her rival, China, the status and prestige of the standard-bearer and protector of the ranks of revolution, not only in South East Asia but throughout the 'third world'.

In Mr Khrushchev's time the Russians seemed to be resolving their problems by bowing-out as gracefully as possible from this part of the world, leaving the field to be disputed between China and the United States; it will be remembered that Mr Butler came back from a visit to Moscow apparently having been told this with some vehemence by Mr Khrushchev. Why did Messrs Brezhnev and Kosygin seemingly decide to reverse this policy by arranging in January for an invitation to Hanoi, an invitation which resulted in Kosygin being nearby during the U.S. retaliatory strikes against North Vietnam? The timing of the Russian move may partly have been dictated by the opening of the meeting of Communist parties in Moscow on 1 March. But it is also plausible, if cynical, to assume that they saw themselves at this point as confronted by a danger almost equal to that of involvement with America: the danger that the Vietnamese revolutionaries might be close to victory, conspicuously *with* Chinese and *without* Russian aid and sponsorship. When one examines the military and political tide of events in South Vietnam in the nine months between the Tonking Gulf incident of last August and the air-strikes of February, this possibility looks very real. A victory for Ho Chi Minh in these circumstances would also have been a victory for the Chinese thesis that the right road for the third world is persistence in

revolutionary war *even at the risk of confrontation with the United States*, and that if this path is followed the United States will eventually prove a paper tiger. In other words, it would justify Mao Tse-tung's diplomatic prescription for the communist world as a whole to a degree which must be embarrassing to the Russian leadership even after Mr Khrushchev's own departure, and the more so if it happened to coincide with the communist conference he had so imprudently called. Thus the visit to Hanoi and the subsequent Russian line of keeping up with China in denunciation of the Americans can be seen as Russian reinsurance against a prospective success for the 'paper-tiger' thesis.

Containment of China

To return to the less speculative field of the problems of Western policy-makers, in America, Britain, and Australia, one must recognize that the three national viewpoints have not been identical and the actual military involvements of the three seem to be in inverse order to the importance of the area in the national scheme of priorities. Australia, the only one for whom it is at the top of the list, has only a few battalions in Malaysia and a hundred instructors in Vietnam. America, where the emotional commitment is heavy, and the tradition of regarding the Pacific, including its eastern fringes, as an area of vital national interest is longstanding (dating from before the same view was taken of Europe), has about 23,000 (rising now towards 30,000) theoretically non-combatant troops, which may seem substantial but is a tiny proportion of total U.S. strength. Britain, for whom the Far East has always been a third-priority theatre, has 58,000 U.K. troops, theoretically as well as practically combatant, plus 14,000 Gurkhas. One might regard this as a striking testimony to the strength of the imperial tradition, but there are solid reasons, effective with both political parties, for the British interest in the area east of Suez.

If one is to make sense of the nature and size of the Western commitments in the area, one must start by looking at the concept of the containment of Chinese power. This mode of classifying the issues concerned might in itself, of course, meet with objection. Learned and persuasive Sinophiles often argue that there is no such category of issues: that China is not interested in extending her area of power or influence in South East Asia; that the West is boxing with its own shadow in assuming that it must contain Chinese power; and that it has by its own presence created the problem it is allegedly relieving. Alternatively, it is sometimes argued that it is impossible and even unreasonable for the West to attempt to prevent Chinese hegemony over South East Asia: that it is part of the natural order of history that a Power of such potentiality as China should dominate the area round her own periphery. These two sets of objections raise issues so large that they cannot be adequately dealt with here. One

might only say in passing that the first seems to rest on a sort of Fabianized or sentimentalized view of China, assuming that she, unlike all other Powers, is uninterested in the power-competition even round her own periphery. If one had to cite just one sentence in rebuttal, it would be one by the Chinese Foreign Minister, Marshal Chen Yi, a few months before the Chinese atomic explosion: 'The Chinese people will build atomic weapons, even if they have to go without trousers.' This chilly contemporary oriental version of 'guns before butter' and the policies that have gone with it are hardly compatible with the power-repudiating view of China. One might, of course, argue that even though China has demonstrated her interest, in the normal manner of Great Powers, in the power-competition in general, this does not prove that the problems of South East Asia ought to be classified, even in part, as the problems of containing Chinese power. If some degree of validity resides in this argument it is a matter of the distinction between cause and effect. One might hesitate to argue that the machinations of the Chinese Government are the main *cause* of the revolutionary ferment in South East Asia (though they help it along). But the decisive point for Western policy-makers must be whether the *effect* of this revolutionary ferment tends to be the advancement of China's sphere of dominant influence through the erosion of rival bases of power, chiefly Western. And it would surely be idle to deny that this has been the case over the past eleven years: that China's shadow is a great deal more formidable in South East Asia and in the world generally than it was in 1954.

To get a conspectus of Western problems in the containment of Chinese power, we must glance back to the point at which the present effort began as far as South East Asia was concerned, that is, in 1954 after the Dien Bien Phu crisis. It is of importance to note that U.S. policy in 1954 was not precisely *defined* as containing Chinese power: it was defined, if at all, as combating communist imperialism, or some such phrase. There were various reasons why the former phrase, at least on official lips, would have seemed odd at the time. Mr Dulles, as potential Secretary of State, had conducted his campaign in the 1952 presidential election on a basis of denunciation of President Truman's Secretary of State, Mr Acheson, for his allegedly immoral doctrine of containment, and on the promise to substitute something known as 'liberation'. Mr Dulles's phrases were, in fact, a good deal fiercer than his deeds, and the reality of events—his 'operational' as against his 'declaratory' policy—when SEATO came to be set up, was something approaching an attempt to marry the concept of containment to the Asian situation. The pattern of *military* enforcement of the concept was not expected to be the same: that is, SEATO was not expected to acquire the kind of coalition army and so on that NATO had been endowed with. Mr Dulles was quite specific at the Manila conference of 1954 that the military sanction be-

hind SEATO must remain what he called 'massive mobile retaliatory power', meaning, one assumes, the 7th Fleet. But the *political* assumptions were much the same: they were assumptions about a necessary congruity of interests between the West and 'the nationalists'.

Options for the West in 1954

It is in the less than adequate examination of these assumptions that the troubles of Western policy might be held to have originated. There were, in fact, three general options open to the West in 1954, if it had defined its purpose as combating the Chinese pressure southwards. One might call them the left-wing, right-wing, and centre strategies of resistance. The left-wing strategy would have started with the assumption that the only buffer-State likely to prove viable against Chinese pressure was a united and relatively powerful Vietnam, which would have diplomatic friends other than China to call on if necessary for stiffening against that country. The difficulty of course was that, given the political conditions and state of morale within Vietnam at the time, this could only have been Ho Chi Minh's Vietnam, and would have entailed the risks of pinning the West's faith to the 'Titoist potential' of his regime. Considering the traditional anti-Chinese nationalism of the Annamese, and Ho's own affiliation with Moscow rather than Peking, this could be argued at the time as not too unreasonable a gamble. But there was a major reason why it could not be seriously contemplated, as far as one knows, by policy-makers in Washington: had their objective been defined as containing Chinese power, Ho might seem an interesting ambiguity, but with it defined as combating communism, he was necessarily an enemy—as tough and resourceful an old Communist as ever survived the vagaries of the Comintern.

Besides, at the time the Washington policy-makers felt they had reason for optimism about the course they actually adopted, the one we may call the centre strategy of reliance on 'the nationalists'. Before looking at the difficulties that arose from this policy, however, it is worth glancing briefly at what might be called the right-wing potential strategy, that of propping-up the remnants of the French imperial system in the South, even including perhaps that almost forgotten figure, Bao Dai. Actually, this strategy also was really ruled out of consideration in 1954 by the fact that for a couple of years before the final crisis of French power, Washington had been urging on Paris the view that only a real, as against a bogus, transfer of sovereignty could rally the nationalists to their side against the Viet Minh. They were therefore, in 1954, already wedded to the view that once the oppressive and resented French empire had been visibly wound up, the nationalists would have no further grudges against the West and would be ready and eager to work with it against the new menace that

threatened them, whether it was defined as communist imperialism or Chinese hegemony.

The Diem years

Looking back over the strategy that actually was adopted, and the relationship between U.S. power and the ascendancy and ultimate fall of Ngo Dinh Diem, one may see in almost terrifying precision the problems of Western policy in Asia and perhaps in the third world generally. Diem, after all, had a good deal on his side: he had nine years to work in, a great flood of U.S. dollars to give South Vietnam a prosperity that the North could not come anywhere near matching, a pipeline to the U.S. armoury, U.S. military advice of the most distinguished sort, training and counter-insurgency techniques of the best degree of sophistication that the Pentagon's strategic intellectuals could bring to bear on the situation. Yet his political and military control of the country deteriorated steadily (at a variable rate but with the general line of the curve insistently downwards) from 1957 until his fall in November 1963. The situation has, of course, decayed at a still faster rate *since* his fall, but that owes a good deal to the special circumstances of political instability of the past fifteen months. If one is scrutinizing the process of events in Vietnam for policy-lessons valid beyond the country, the Diem years may be the most useful ones. It has been fashionable to assume that the root of the trouble lay in Diem himself, in his own rigidity or in the influence of his disastrous family. But this is rather too facile and optimistic a view, implying that no policy-problems were involved other than the more careful choice of nationalist leaders to back. The roots of the trouble lay deeper, and involve reconsideration of the nature and preoccupations of nationalism in Asia (or in the third world generally) and its relation to the theory of containment.

In 1954–5 a phrase much favoured by journalists and officials represented nationalism as the natural 'bulwark against communism'. 'Bulwark' is a word which projects a reassuringly solid and monolithic image. It would perhaps be less misleading to think of the nationalisms of Asia as sandbanks. No one doubts their reality and persistence. Probably few things are more indestructible, in a real sense, than a sandbank. But it will disperse, re-form, change shape, adapt itself to the prevailing currents. This protean quality is an enormous strength to the nationalists themselves, but it is no strength to the West. If one thinks of the U.S. efforts at containment as a sort of breakwater, having to sustain the battering of a rising tide, and then thinks of this breakwater as built on a sandbank, one has perhaps a fair image for the U.S. dilemma.

Societies in the situation of Vietnam are, almost by definition, societies without consensus. The 'nationalists' were not a single monolithic force and their resentments against the West had to do with other things than

overt political tutelage. Perhaps the best instance of U.S. disregard of even the most blatant fissure in the theoretical bulwark was the choice (inspired, it is said, by Cardinal Spellman and the CIA in dismaying combination), as the nationalist leader to back, of a member of the Catholic minority in Vietnam. No doubt there were some respects in which a Catholic seemed a better bet than a Buddhist or a Confucian in the 1954 situation. But it has mostly been a mistake in Asia for the West to use, or appear to use, Christian minorities as political instruments. No aspect of Western intervention has been more resented by Asian intellectuals than what Pannikar calls the 'religious imperialism' of the West—reasonably enough, since the Asians' sense of their own identity is much more affected by this than by economic or political subordination. This factor did of course prove decisive in the long run, because it meant that when local political forces began to turn against Diem, there was an enormous lever lying ready to be used by his enemies to bring him down: the resentment of the Buddhists, particularly the monks, at a regime which in their eyes was simply an expression of Catholic ascendancy.

Inadequate political control

However, the process of military decay before that time demonstrated the really perplexing problems: the problems of a counter-insurgency campaign where the *political* control is inadequate. Many people have pointed out reasons why various policies which were effective for the British in the counter-insurgency campaign in Malaya have not been workable in South Vietnam. The food-denial technique, for instance, which seems to have been a useful instrument in Malaya, will not operate where food supplies are as lavishly available as in the Mekong Delta. But the most striking difference between the two 'directing Powers' has been their respective abilities actually to control the military and political situation within the country concerned. Though the emergency in Malaya officially lasted until 1960, in fact the real strength of the insurgents was broken in the period 1953–5, well before political control was handed over by Britain to the Malayans in 1957. While the crunch was on, Britain was able to take all the military decisions and manipulate the political framework in a direction that would conduce to a favourable outcome. This advantage of direct control has of course been denied to the Americans in South Vietnam. (In fact, looking at the three armed insurgencies that the British Government has had to counter in the past decade or so, one sees that the ability to replace the effective political authority-figure by another is one of the most useful weapons in the imperial Power's armoury, both in the process of reducing the insurgency and in the parallel process of seeking accommodation. In all three cases—Malaya, Kenya, and Cyprus—a certain ruthlessness in disposing of the officials under whose authority the situation had been allowed to get out

of hand is one of the major elements in coping with the insurgency, just as at a later stage the replacing of the military authority-figure by an accommodation-figure is part of the technique of settlement.)

In the South Vietnam situation the only equivalent to dismissing a Governor was the *coup* that was finally mounted against Diem, and one need hardly labour the point that the choice of his successors and indeed control of the rate of their succession have proved intractable to the U.S. Government. However, the operative word here is 'finally', for it is arguable that the delay in unseating Diem is the best illustration of the major disadvantage of divided control, and of the fact that the U.S. choice of the centre as against the right-wing strategy ultimately landed her with all the commitments and responsibilities of the imperial Power without its ability to act effectively. In a way, what is happening at present is that the pressure of events is forcing U.S. policy towards a new choice between approximations of the originally discarded left- and right-wing strategies.

Development of the Insurgency

The difficulties inherent in the 1954 line of policy were illustrated as much in the way the insurgency developed as in its latest phases. It actually began in 1957, with the assassinations of village officials. These were not, as they were represented at the time, just random acts of terrorism on the part of relics of the Viet Minh who had stayed in the South. With 85 per cent of the population living in villages, control of the villages meant control of the population, and the programme of assassination of village headmen was an essential precondition of the establishment of a political base for the insurgency. The assumption made at the time, and apparently retained until 1961, was that the only way of mounting a serious attack on the South Vietnamese Government would be by a direct blow from the North, and this assumption in turn was related to the official view that Diem had consolidated his hold on the country. To preserve this fiction, the actual deterioration of control was hardly admitted for the first three years, though the total casualties had risen to about 7,000 by 1960.

By the autumn of 1961, when the Kennedy Administration had begun to address itself seriously to the problem and General Maxwell Taylor paid his first visit, the situation had decayed to what was then regarded as a critical point, with the rate of incidents rising towards 2,000 a month. At this time the United States committed herself to a massive backing of the counter-insurgency effort, and the inflow of U.S. 'advisory' troops and sophisticated weapons began. This build-up did at first seem to produce considerable successes, associated particularly with the use of helicopters. When Mr McNamara first visited the area in May 1962 and reported that a great deal of progress had been made, and when optimistic forecasts about the impending withdrawal of U.S. troops were

published, the hopefulness, which was later to seem so excessive, reflected what one might call the initial Vietcong shock at the new mode of hostilities.

However, the guiding military intelligence in North Vietnam, General Giap, is a resourceful man, and the Vietcong came to terms with the new situation at fairly startling speed. The battle of Ap Bac, in January 1963, seems to mark the beginning of the period in which they demonstrated an ability not only to survive the original phase of the U.S. military build-up but also to raise the level of conflict from guerrilla action to revolutionary war, and progressively to improve their grip on the countryside until they are now able to operate a shadow government in much of it, running a taxation system in rice-collections, and even, it is said, a postal service.

Project of escalation

It is in the light of this demonstration that two years of 'all assistance short of actual combat' had not even *held* the military balance, much less improved it, that the U.S. decision to take the war to the North must be seen. Some comment has implied that the air-strikes were originally a reaction purely to Vietcong attacks on U.S. military personnel. The February strikes may indeed have been occasioned, or had their character modified, by these attacks, but the project of escalating the war, not as a long-term possibility but as a fairly immediate necessity, has been in the air in Washington since before the 1964 presidential election. It was bound to be, from the time that the prospect of either a military collapse or a final political disintegration of the South Vietnamese Government began to look a real possibility, earlier in 1964.

Defeat is the name of a process in which the political resolution of a government is broken by military means. Where the political resolution is fragile in the first place, the degree of military down-turn taken to break it need not be very decisive-seeming in itself. This was well exemplified in the fall of Dien Bien Phu, which, though immensely dramatic, did not in itself involve any large proportion of French combat forces or affect their main defensive positions. But because the French political resolution over Indochina was for various reasons rather fragile, the loss of this armed camp was enough to break it. Perhaps something of the sort was not far away, as far as the South Vietnamese were concerned, by late 1964. But, of course, the United States is not France, and so far her Government is much less ambivalent than France was in 1954 about how much it actually has at stake.

Since the project of 'escalation' first came up, the two modes of applying it that have been contemplated are air-strike (of varying kinds) and what is usually called 'Koreanization'. In a sense these represent two theories of the nature of the military sanctions that can be made effective in a situation like that of Vietnam. The theory that Western superiority in

air and naval power can compensate for inferiority in conventional forces, or for its own (or its friends') relative ineffectiveness in counter-insurgency operations, is one that has been urged in a number of contexts since the second World War, and has usually *not* justified its proponents. The original basis on which U.S. action in the Korean war was undertaken was that U.S. involvement would be confined to air and naval power. But recalling, for instance, Sir John Slessor's account of the relative ineffectiveness of bombing even in conditions which one would think more conducive to its effectiveness than those in Vietnam, one must be conscious of various question-marks over the whole operation.

The Vietnam situation offers the starkest confrontation to date between the guerrillas' ability to deny a government control of its theoretical territory, and the ability of air-power to inflict damage on the nerve-centres behind the guerrilla operation. Recalling that the object of military action is to break or modify *political* resolution, and that the North Vietnamese Government has industrial installations and so on which it may value more highly than its chances of immediate success in the South, one must assume that the air-strikes may be effective in producing some degree of stalemate. On the other hand, the evidence would seem to indicate that the quality of political resolution in Ho Chi Minh's Government is uncommonly tough. There are not a great many potential military targets in the North, other than Hanoi itself. If peripheral bombings in the North do not appear to be having the hoped-for effect on the military situation in the South or on the political stance of the North Vietnamese Government, the costs (including moral costs) and risks of extending the bombing to Hanoi are going to loom very uncomfortably before policy-makers. If Hanoi should burn one of these days, this will not do much good to the U.S. image in the third world and will sharply increase the already visible restiveness of America's allies at her line of policy. Yet this would lie in the logic of the air-strikes if the initial phase is ineffective. Hanoi was reported some weeks ago to be expecting air-strikes and to be already digging air-raid shelters, and the pressure on Russia for the supply of advanced fighter aircraft and anti-aircraft missiles must be very considerable.

Alternative of 'Koreanization'

The alternative mode of raising the level of conflict, 'Koreanization', would imply the use within Vietnam of American or other outside troops to fight a conventional war on the Korean pattern. If this should be resorted to, it will be only if the air-strikes prove ineffective, for its costs would be much greater, especially in U.S. domestic terms, and it might, as in Korea, result in a new stalemate after an engagement bitterly expensive in lives. Whatever the reasons for the military downturn in South Vietnam, shortage of troops can hardly be urged as the decisive

one. The Vietcong are still estimated as only about 32,000 regulars, including those infiltrated from the North, plus a part-time regional militia of about 70,000. The South Vietnamese army, with its associated militias, is expanding towards the 600,000 mark. Of course, even greater disparities than these are sometimes estimated to be necessary for anti-terrorist operations in the strict sense, but the situation in South Vietnam is no longer of this sort: it is nearer to conventional hostilities. The assumption that a Korean-style operation would in some sense be more advantageous or otherwise preferable for the West seems very debatable, on both the political and the military plane. Militarily, the upgrading of hostilities would presumably be by both sides; thus, if U.S. or Western-allied combatant troops were involved, so presumably would the army of North Vietnam, which is substantial (225,000), recently experienced, well led, fighting on familiar terrain, and backed, as in the case of North Korea, by 'Chinese volunteers'. It is far from clear in what respect such a development would be more likely than the present situation to produce a settlement acceptable to the West. The most obvious way out of the present imbroglio may be in the direction of a Korean-style one, but strictly in the sense that the most obvious way out of the frying-pan is into the fire.

Hanson Baldwin, writing in the *New York Times* of 2 March 1965, has estimated that the cost in U.S. soldiers might rise to twelve divisions. Given a total U.S. army strength of sixteen divisions, this would clearly be a commitment absolutely disproportionate to the general balance of U.S. responsibilities. The prospect of troops from other Western allies is unpromising. The only two Powers equally involved in South East Asia are Britain and Australia. British troops disposable to this area are already fully occupied in Malaysia. Australia has very small armed forces, and though they are being increased in size, the commitment to Malaysia will probably be felt entitled to remain the first call upon them, since it represents the nearer though the less formidable danger. Prospects of troops through the U.N. in Korean style are even less promising, since the majority of Members would certainly favour the suggestion of negotiation put forward recently by U Thant and rather brusquely disposed of by President Johnson. Finally, one has to remember always the political basis of military action. Friction between the U.S. representatives, including General Maxwell Taylor, and the South Vietnamese army and the assorted governmental regimes since General Kanh's *coup* has clearly been intense. Further internationalization of the war, and the prospect of loss of even the shadow of national control, would seem likely to increase the political disaffection and *attentisme* in Saigon, already eroding the basis of U.S. action. The Vietnamese politician who has been quoted as saying 'If the Americans want to fight China, let them do it some place else' clearly represents a point of view that could become embarrassing.

Altogether one might judge that, though it has some influential spon-

sors, the case for 'Koreanization' is not likely to seem attractive to President Johnson, short of his hand being forced by some cataclysm. Thus one is thrown back on the question of whether the present level of escalation by air-strike can change the political context sufficiently to make a settlement seem feasible in Washington, and desirable in Hanoi, Moscow, and Peking. It might be observed in passing that this particular *mode* of escalating the hostilities has provided, in a sense, a most powerful card of re-entry for Russia into the situation in Hanoi, since, if it comes to a question of the city being protected from air-strike, Russia not China must be looked to for the means. The theory behind the strikes is the theory of negotiation from strength: if one cannot create local military strength in the South, one must use a countervailing strength to inflict damage nearer home, and if one has not much to negotiate away one must create a 'negotiable asset' by starting to do something that the other side will want one to stop, i.e. air-strikes. The rather coldblooded use of power in this way is morally unpalatable to a large part of Western opinion, but it does not much differ in essence from traditional military doctrine. The great uncertainty in the present operation is the degree of retreat on the part of the North Vietnamese that would be held in Washington to constitute an adequate success. Some reports of Mr McNamara's thinking have seemed to imply that he is out for a kind of *de facto* surrender as far as action in the South is concerned, rather than any form of diplomatic settlement. He has committed himself on a number of occasions to the view that negotiations could only be 'a way-station to a Communist takeover'. On the other hand, Mr Dean Rusk and some obviously 'inspired' leaks in Washington (for instance to the *New York Times* of 1 March 1965) have indicated the existence in the State Department of a fairly elaborate plan that would provide a number of incentives to the North for a period of quiet in the South.

The domino theory

This may seem to indicate a division of opinion within the U.S. Administration, but it is more likely to be a division of labour, with Mr McNamara deputed to flourish the stick and Mr Rusk given the more agreeable role of indicating the existence of carrots. Whatever the truth of the matter, the doctrine with which Mr McNamara has been identified, which one might call the current version of the domino theory, is bound to be re-argued if the prospect of any form of diplomatic settlement appears closer. This argument did not originate with Mr McNamara: it was first put forward by President Eisenhower in the early stages of the Dien Bien Phu crisis. It holds that if the position in Vietnam is allowed to fall the remaining Western positions in Asia will be knocked over like a row of dominoes. There is a more extreme version of this doctrine, frequently to be found in the writings of Mr Joseph Alsop, which might be called the

'right-back-to-Hawaii' thesis, and which implies that if South Vietnam is lost the rest of South and East Asia will change sides so fast that the United States will practically overnight find herself with neither friends nor bases west of Hawaii. There are also milder versions of the doctrine which prefer to speak of the 'ripple effect' or even, very moderately, the 'seepage effect'. The influence of the domino theory on the diplomacy of South East Asia is a piece of what one might call political black comedy, for it was first put forward to justify a possible military decision—to save Dien Bien Phu—which was not, in fact, taken, and it has hung ever since like an albatross round the neck of those seriously considering where the West's vital interests in South Asia lie, and how they may most reasonably be defended.

In so far as the theory has any substance, it rests on propositions which are too embarrassing and damaging for official voices actually to make explicit, but which are widely understood, about the quality of political morale and resolution in the West's allies and among the neutralists of the area. That is, the proposition is not that South Vietnam is the only piece of 'strategic real-estate' on which resistance to the encroachments of Chinese power is physically possible. It is that the psychological effect of U.S. acceptance of anything less than success in South Vietnam will so undermine faith in U.S. protection, in Thailand, especially, and even in Japan or Formosa, that these allies will set about seeking alternative forms of insurance with China. It is true that policy since 1954, and even more since 1961, has tied the prestige of U.S. military assistance very dangerously to the survival of an anti-Communist regime in South Vietnam, and that some damage to the structure of U.S. alliances in South and East Asia would have to be counted among the costs of even a relatively face-saving settlement, if one were obtained. Where and how serious the damage would be could be established only in a country-by-country examination of attitudes to the United States and to China, and this is not possible here. One of the most serious disadvantages of adhesion to the domino theory by Western spokesmen is that it conveys insistently to the regimes expected to be vulnerable, such as that in Thailand, that even their friends assume they will bow to the strongest. Another disadvantage is that if one of the dominoes *should* in fact fall, the theory has to be hastily discarded and the remaining pro-Western governments assured that, after all, their positions can and will be shored up.

This is the point at which the problem of containment of Chinese power intersects with the other two categories of issues mentioned at the beginning of this article, namely, consideration of the domestic instabilities of the minor Powers, and the ambiguities of Indonesia's role as a diplomatic fellow-traveller of China. The essential argument behind the position that Mr McNamara has seemed to sponsor is that it is better to

face the issue of Chinese expansionism in South Vietnam rather than elsewhere, and better to face it now than later, 'later' meaning when China is an effective nuclear Power. This is a powerful argument, but one might maintain in reply that the West has less unfavourable ground available to fight on: that the military and political and moral costs may be less elsewhere. To revert to the metaphor of containment as a breakwater, it is better that it should be built where it can find some firm political foundations than be further out but built upon sand. One may concede that there is no absolutely sure ground for the West in South East Asia, but there is probably some less given to subsidence than that in South Vietnam.

The Great Powers all have vital interests in South East Asia, and moralizing, from whatever political standpoint, will not induce any of them to abandon their efforts to maintain these interests. A more useful form of activity is the attempt to visualize a balance that might accommodate these countervailing pressures with as near an approach to stability as possible, though the diplomatic attempt to construct it seems likely to have to wait on further change in the military situation.

From the point of view of the West's vital interests, such a balance would have to be one viable against China. The assumption that the effort to construct it is unnecessary will not stand up to even the most casual glance at the power-relations of the next two decades. China, with her nuclear weapons and her potentialities in conventional forces, is going in any case to be one of the three dominant Powers of the central balance. If she has, in addition to these power-assets, control over the resources of South East Asia, she will become an unmanageably heavy weight in the balance, rather in the way that Germany and Russia each in turn by ascendancy over Eastern Europe became an unmanageably heavy weight in the European balance.

Such disequilibria generate the instabilities that produce disaster. But if a balance is to be constructed in South East Asia it will in all probability have to be from elements at present uncongenial to Western political thinking: perhaps including a 'Titoist' or Moscow-oriented Vietnam, a partitioned Laos, a neutralist Cambodia, a China-oriented Indonesia, and a redoubt in the Thailand–Malasia area that might require substantial Western commitments of military strength.

The political revival of Mali

ARISTIDE R. ZOLBERG

In the judgment of those who were initially sympathetic observers of African nationalism but who concluded shortly after independence that the continent was off to a bad start, an exception is usually made in the case of Mali.[1] Indeed, the visitor who lands in Bamako encounters few of the offensive displays that confront him elsewhere: there are no sumptuous mansions or prestigious glass-and-concrete symbols of State supremacy, and there is barely any talk of corruption in high places. Government offices are housed for the most part in pre-war French colonial structures in the *style soudanais*. Inside them, there is little self-satisfaction; the key words in any conversation with a Malian official are likely to be austerity and struggle, construction and watchfulness, sacrifice and discipline. The source of the all-pervasive odour of revolutionary virtue which seems to float above the capital city is easily traced to a modest, two-story cinder-block building in the midst of a dusty courtyard, built a few years ago by the population in response to an appeal for its contribution towards the construction of the new Mali: the permanent headquarters of the *Union Soudanaise*, 'la Maison du Parti'.

The building of a new State

President Modibo Keita declared in Algiers last August that 'Mali and the Malian leaders draw their inspiration for the construction of socialism from Marxist-Leninist theory. But we do not subscribe to its materialistic philosophy, we do not subscribe to its atheism, because we are believers.'[2] Indeed, Islam is an important additional ingredient of the ideology that is being forged in Mali. The third, and perhaps most significant, ingredient is a belief that the country must live up to a destiny which holds the promise of greatness. This view is based on the history of the region encompassed by contemporary Mali. According to some scholars, the Upper Niger was the site of one of the world's great river-

[1] Formerly the French Sudan, one of eight territories that made up French West Africa, Mali has an area of 463,500 square miles and an estimated population of 4·5 million.

[2] *La Politique du Parti*, 1964, p. 10.

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valley agricultural revolutions, from which a Sudanic civilization emerged. This factor, together with proximity to the shores of the Sahara, may account for the rise of a series of States, including historic Mali, founded in the thirteenth century, which successively dominated parts of West Africa. Africans of the Western Sudan also transmitted Islam to middle Africa. Moreover, the chain of cities which linked trans-Saharan caravans with the South constituted a sort of West African Hanseatic League.

Present-day Malians view themselves as the legitimate heirs of these traditions. President Modibo Keita is respected not only as Secretary-General of the *Union Soudanaise*, a former deputy and one-time Vice-President of the French National Assembly, and winner of the Lenin Peace Prize in 1963, but also as the member of a glorious lineage, that of the founder of historic Mali, whose saga has been sung by Malinke bards for seven centuries. These traditions give the Malians pride, self-confidence, ambition, and a sense of superiority over their African neighbours. But they are also a source of humiliation and bitterness. Because of its location in the hinterland, the country underwent much less transformation during the colonial period than did the coastal areas. By the stern criteria of international statistics, Mali on the eve of independence was very low on the world scale. Her mission today demands that the natural order of things be restored.

Break-up of the Federation

Malians celebrate the beginning of their revival on 22 September, when they commemorate the decision taken in 1960 at an extraordinary congress of the *Union Soudanaise*, following the break-up of the Mali Federation founded the previous year to unite Senegal and Sudan, that the latter would continue as the Republic of Mali. Between 1956 and 1959, when the fate of French West Africa was being debated in Paris and in Africa, Sudan had been one of the most ardent defenders of the region's integrity in the face of France's preference for a devolution of authority to the eight individual territories. The views of the Sudanese leaders, who headed one of the territorial sections of the *Rassemblement Démocratique Africain*, conflicted with those of other RDA leaders in Guinea and in the Ivory Coast: in the former they preferred immediate independence to regional unity and in the latter they wished to avoid both alternatives.

Thus, by the beginning of 1959, the choice of federal partners for Sudan had become very restricted; as the result of various pressures, it narrowed down to Senegal only. From an economic point of view, the marriage was a reasonable one, since the link with Senegal secured Sudan's access to the sea through the Dakar–Niger railway; the partnership provided a larger market for Senegal's budding processing industries; and it preserved an employment market for many young Sudanese. Politically,

the marriage was much less promising. As became apparent when the Federation began to negotiate its independence, there was disagreement over future relations with France, over approaches to economic development, and over the very nature of the State. The Senegalese feared the popularity of the Sudanese leaders among their radical Opposition, while the Sudanese believed that *their* Opposition might be sustained by the Senegalese. Furthermore, the Senegalese were anxious about the political weight of Sudan's larger population, while Sudan resented her economic dependence on Senegal. The Federation became sovereign in June 1960; two months later, it exploded amidst mutual recrimination and some violence. The Sudanese saw themselves as the victims not only of Senegalese wiles but also of French neo-colonialism. Hence, the most acclaimed banner at the extraordinary congress of September: 'Death rather than dishonour.'

Nearly five years later, the economy and the political system continue to reflect some of the critical decisions taken during the period of crisis that ensued. The Malians assigned the highest priority to what they view as the most fundamental condition of survival and the prerequisite of modernization in *any* sphere, namely the consolidation of the authority of the State. The *Union Soudanaise* already enjoyed a reputation as one of the best-organized mass parties in Africa. It first achieved a majority in 1956; in elections the following year, the party obtained 68 per cent of the votes cast and formed the first African Government; in 1959, it gained 76 per cent of the poll and every seat in the territorial assembly, the most important Opposition leaders crossed over to it, and the country became a one-party State. The 'realization of political unity' at that time conceals the fact that less than one-third of the enfranchised population of Mali participated in the 1959 election, and hence that the *Union Soudanaise*'s share of the poll represented but one-fourth of the eligible electorate.

Its efforts during the years that followed involved both an extension of the 'spider's web' of organization in order to reach every village, office, and factory, and a tightening of internal communications. The physical presence of the party, expressed by the construction of its headquarters in Bamako, was repeated on a smaller scale in most of the towns and larger villages, where such buildings often constituted the most tangible achievement of the 'human-investment' programme launched after independence. The *Bureau Politique National* increased its control over the party branches by devising a system of inspectorates through roving commissioners; at lower levels, branches were supplemented by *brigades de vigilance*. Most voluntary associations, including women's groups, army veterans, trade unions, and youth organizations, were integrated into the party. *L'Essor*, the party organ, became the only daily and weekly newspaper in the country.

There has been a parallel emphasis on the development of a reliable

bureaucracy. Sudan had always been under-administered during the colonial period because of her low population density and her meagre revenue. Furthermore, the lower reaches of the colonial administration included appointed chiefs (*chefs de canton*) who constituted the backbone of the *Union Soudanaise*'s major opponent, the *Parti Soudanais Progressiste*. Hence, it was necessary to africanize the administration rapidly by promoting clerks to administrative posts for which they had little training, while at the same time extending the administration itself and reforming the *canton* system. Over the years, the colonial system, which consisted of *cercles*, *subdivisions*, and *cantons*, was modified by dividing the country into regions, headed by a governor, by transforming all the *subdivisions* into *cercles*, and by creating below them a new administrative unit, the *arrondissement*, somewhere midway between the old *subdivision* and the *canton*. The *canton* was abolished. Villages are now administered by an elected council headed by a president appointed by the administration.

Mali has always insisted on the 'primacy of the political', symbolized at the national level by the fact that the Council of Government is said to act on recommendations initiated by the *Bureau Politique National*, and that the National Assembly then passes these decisions into law with practically no debate. Yet the party has recently been very much concerned with a major 'deviation', the 'false interpretation of politico-administrative relationships', particularly in the form of interference on the part of local party officials in administrative action.[8] Partly to offset this and partly to reinforce the entire State framework, the various political, administrative, and consultative structures have now been integrated at all levels through a tiered system of 'cadre conferences'. At the national level, these meet at irregular intervals, at the request of the party and the Government, to consider major issues. The national conference includes all Ministers and Ministerial secretaries; heads of services; governors and *commandants de cercle*; members of the National Assembly; the entire *Bureau Politique National*; party inspectors; secretaries-general of party branches; and representatives of affiliated bodies, such as women's and youth organizations, etc. Similar meetings are held at the level of the region, the *cercle*, and the *arrondissement*—where there are no other consultative bodies.

Together, the 'cadre conferences' might be said to constitute a sort of national parliament, which has gained in importance over party congresses, which are held less often, and over the National Assembly, which lies dormant. Much is heard in Mali about the principle of collective leadership, and the President often makes the point that he speaks only in the name of the *Bureau Politique National*. But it has become increasingly clear that his personal stature has grown, and that he is now a

[8] *VIe Congrès de l'Union Soudanaise RDA*, 1963, p. 71.

unique national figure. He spends about one quarter of every year touring the regions with a suite consisting of party officials, elected representatives, and important bureaucrats. This gives him an opportunity to learn about conditions in the country at large, and also to teach the population the concepts of national citizenship. These tours also provide occasions for the citizenry to bring to the President's attention a variety of abuses committed by administrators or party officials.

On the whole, these efforts at State-building suggest that, in spite of the widespread use of modern Marxist-Leninist phraseology, the situation of Mali resembles that of European States prior to the modern era. Beneath the monolithic surface, it is clear that 'national construction' is far from achieved. The *Union Soudanaise* is not only a typical mass party but also an alliance of major regional leaders, some of whom derive their status from tradition, as does the *primus inter pares* Modibo Keita. His efforts recall those of monarchs in earlier times who attempted to establish national supremacy over the disparate parts of their realms. There is no doubt that a great deal of progress has been made. Nevertheless, although unanimous support for the *Union Soudanaise*, 'mother of the nation', was recorded in the general election of April 1964—with a 90 per cent poll, according to official sources—the bulk of the population does not genuinely participate in national political life. Ethnic and regional loyalties remain strong, as indicated most dramatically by endemic rebellions among the Tuareg of the northern marches but also by intermittent difficulties since 1958 in almost every peripheral region. Communications are still very difficult. The party newspaper's larger weekly edition has a circulation of only about 3,000 copies; in spite of years of effort, the *Bureau Politique National* still, at the end of 1964, had sufficient difficulty in reaching the branches to warrant an order enjoining all of them to appoint permanent secretaries.

In actual fact, the rulers of Mali are very insecure, and their fears that almost any spark could set off a major catastrophe are reflected in the use of harsh repressive measures to put down what would be only minor incidents in a well-established State. Mali thus reveals most acutely the fundamental paradox of the African one-party States: namely that, while observers have been busy deploring authoritarian trends, the real problem is the weakness of their political structures.

The new economy

The *modern* sector of the economy which Mali inherited from the colonial period was very backward even by African standards and completely dependent on France. At independence the total value of her exports (mainly groundnuts) was 2,703 m. CFA francs; of these, 97 per cent went to France, where they found a protected market.[4] Imports

[4] *Comptes Economiques de la République du Mali 1959* (Bamako, Ministère du

(90 per cent from France) amounted to about 8,345 m. CFA francs. The very few processing industries were barely able to keep going. Almost all investment was public and came from French rather than from local fiscal resources; about one-half was absorbed by a single controversial agricultural complex, the *Office du Niger*. Attempts to diversify agriculture had scarcely begun. The *traditional* sector of the economy, however, was much more fortunate. From the point of view of the bulk of the population, the country was almost completely self-sufficient; and the traditional trade with the South was estimated to produce a surplus of 4,190 m. CFA francs, mainly through exports of cattle and dried fish. These facts help to explain why Mali could risk the temporary isolation of her modern sector as the result of her dispute with Senegal in 1960.

At its extraordinary congress of 1960, the *Union Soudanaise* confirmed publicly some of its leaders' long-held economic views. The party resolved to launch 'immediately and vigorously' a programme of economic decolonization; to create new economic structures by reversing the old system and developing commercial circuits 'within the framework of a socialist plan based on African realities'; to develop communications, intensify agricultural production, launch new industries, stress mineral exploration 'in order to turn Mali into a State worthy of modern Africa', develop effective State controls over the economy, create an African common market and monetary zone, and establish commercial and economic relations with all the peoples of the world.[5] Most of these resolutions were translated into a Five-year Plan launched in 1961; this envisaged an annual rate of growth of 8 per cent to be achieved by means of a total investment as large as the current national product itself, half of which was to be supplied by foreign aid. The hoped-for increase was to be more or less evenly allocated between private and public consumption. Significantly, the planners did not promise their countrymen a substantial rise in personal income.[6]

Whether after four years the economic results have surpassed what they might have been under the older system is extremely difficult to say, since the state of Malian statistics makes any quantitative measure of achievement almost impossible. Besides, do economic criteria provide an appropriate yardstick? It is perhaps most useful to regard Mali's efforts in this sphere as measures designed to assert national sovereignty and to supply the State with a material apparatus that would stress the reality of its existence. Thus, although the economic costs of the creation of a national currency (without closing the door on affiliation with the

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Plan et de la Coordination des Affaires Economiques et Financières, 1962), pp. 133–5. In 1964, approximately 680 CFA fr. ≈ £1.

[5] *Congrès Extraordinaire de l'USRDA*, pp. 42–3.

[6] *Rapport sur le Plan Quinquennal, 1961–65*, pp. 12–13. *Per capita* private consumption was cited as 12,400 CFA fr. in 1959 and estimated as 14,200 CFA fr. for 1965.

franc zone),[7] of the transformation of an internal airline into an international one, and of the diversification of external markets have been very high, these decisions may have achieved their fundamental purpose. And a similar conclusion may be reached about other programmes as well. In the spheres of trade and industry the State has, for both ideological and practical reasons, assumed a leading entrepreneurial role. Foreign commercial capital, identified with colonial exploitation, has always been distrusted; industrial capital was never forthcoming. Individual entrepreneurship by Malians is thought to be incompatible with socialist ideals and also politically dangerous, as was demonstrated by the reactions of the indigenous merchants to the creation of the Malian currency in 1962.[8]

Within this general atmosphere, a State import and export agency was required to administer the large number of barter agreements negotiated with Communist countries from 1961 onwards; a State transport organization was created to manage road-haulage to the Abidjan railway when the Senegalese border closed down in 1960. The new chain of State bookstores provides reading matter for the first time in up-country towns, distributes Marxist literature, and functions as the State agency for school supplies. In the field of industry some of the State enterprises are new in appearance only: for example, various existing carpentry and mechanical shops of the Public Works Department were consolidated with the metal-works of the *Office du Niger* to continue manufacturing furniture, as they had already done in the past; others, such as the oil-mill and the brick-works inaugurated in 1964, have revived more or less abandoned private enterprises. A few, including a cannery for tomato concentrate completed in 1964, are genuinely new. Although most of these small-scale processing industries have been erected by foreign governments and are managed by experts from the creditor country, it is hoped that some of them,

[7] After joining the West African Monetary Union which linked seven former French territories with France in May 1962, Mali withdrew and announced the creation of her own autonomous currency, the Malian franc, on 1 July of the same year. The Malian franc, whose official value is fixed at 0·0036 gr. of gold, is inconvertible; all exchange operations are monopolized by the Bank of the Republic of Mali; it applies a rate of 1 Malian fr. = 1 CFA fr. (*Afrique Contemporaine*, No. 14 (July–August 1964), pp. 20–1.) Negotiations to define its relationship to the franc zone were still under way in mid-1964; the probable outcome will be a status similar to that of the Moroccan and Tunisian currencies.

[8] In spite of official reassurances, the merchants feared the consequences of these measures and many of them reacted by hoarding CFA francs. When some of them were arrested, a mob assembled in the Bamako market place and marched to the French embassy shouting, 'Vive la France'. The Government viewed this as an anti-national plot under the leadership of its two political foes, Fily Dabo Sissoko and Hamadoun Dicko, one-time members of the French Parliament. Altogether, nearly 100 persons were tried by a political court in September 1962. Three, including Sissoko and Dicko, were sentenced to death. Although this was later commuted to life imprisonment, it was announced in June 1964 that both prisoners had been shot when a government lorry in which they were being transported fell into a Tuareg ambush.

especially the network of slaughterhouses and freezing-plants being constructed in the cattle-rich areas of the country, will modernize the wealth-producing traditional sector of the economy.

Along with many French officials before them, Malian leaders believe that any kind of economic progress demands, first of all, the modernization of agriculture. As in the administrative field, Mali's agricultural development has taken the form not so much of radical innovation as of intensification and ideological transformation. The French had begun to erect a specialized framework of agricultural services linked with a tier of co-operatives which would enable the introduction of new methods and the minimization of credit risks. Where these attempts had previously been limited because of cost and lack of manpower, Mali moved forward on a grand scale. Furthermore, the Malians linked the programme with the general ideology of socialism by adding a new feature, namely, collective fields, and also with national revival by emphasizing the tie between the new institutions and a secular tradition of collectivism. In spite of the enormous deployment of party and administrative effort and the accelerated distribution of tools, seeds, and fertilizers, economic results have so far not been spectacular, apart from the production of cotton which has increased fourfold since 1959.[9] About half of this increase, however, has come from the area where the *Compagnie Française des Textiles*, a mixed-capital company started over a decade ago, has remained active; the other half was produced by the *Office du Niger*, by means of mechanized methods of agriculture.[10]

Mali in the world

In keeping with the image she has created for herself, Mali has adopted a radical pan-Africanist stand on many issues. This has been expressed in turn by membership in the abortive Union of African States (with Ghana and Guinea), by activity in the now defunct Casablanca group, by vociferous advocacy of the Organization of African Unity's efforts to liquidate the white presence by supporting rebel groups and bringing pressure to bear on the Republic of South Africa, and most recently by a sharp indictment of American support for the Léopoldville Government in the Congo. Outside Africa, after rapidly broadening her contacts through a host of economic and cultural agreements, Mali has come to develop a special affinity with Cuba, Algeria, Indonesia, and China. Her conception of neutralism is truly up to date and involves a balance not only between East and West but within these camps as well. President Modibo Keita wore Chinese dress when he addressed a mass meeting last November upon his return from a fifty-two-day journey which included two week-long visits to China, and he held up that country and its

[9] *L'Essor*, 4 January 1965.
[10] *Elements du Bilan Economique 1963*, May 1964, pp. 99–102.

satellites as the embodiment of socialism against which Malians must measure their own inadequate performance; two months later, however, the *Bureau Politique National* gave a hearty welcome to a delegation of the Communist Party of the Soviet Union.[11]

Mali's sense of mission helps to explain the particular concern she has shown for acting as the link between the two Africas north and south of the Sahara, as the arbiter of conflict, and as the prime mover towards West African unity. Bamako was the meeting-ground for negotiations between Morocco and Algeria in 1963 and unsuccessfully attempted to play the same role for Congolese factions in mid-1964. Formal reconciliation with Senegal in 1963 was accompanied by an active interest in reviving special ties among the countries ruled by parties associated with the *Rassemblement Démocratique Africain* founded in Bamako in 1946. On 15 January this year, the *Bureau Politique National* announced that it had begun seriously to consider the possibility of organizing yet another great West African regional system which would overcome linguistic and political divisions.

Pan-Africanist fervour and militant neutralism do not appear to prevent Mali from pursuing a policy of tactical flexibility. Although the Malian leaders were about to establish diplomatic relations with East Germany in 1961, they bowed to pressures from West Germany, whose Government had recently guaranteed a long-term loan for the purchase of over 300 Krupp lorries. In spite of the African controversy over the European Economic Community, Mali chose to become an associated member; this, according to President Keita, is clear proof that the Common Market is not a neo-colonialist institution.[12] Malian leaders were willing to support Moïse Tshombe's participation in a Léopoldville Government because they believed this was necessary to insure Congolese stability, and they even discussed the future with him in Bamako last June; it was only some time after his return to power that they withdrew their support and condemned him. Indictment of American 'neo-colonialism' continues, while at the same time an American military mission assists the Mali Government.

Finally, it is important to stress the constancy of Mali's special relationship with France. Although the tensions between the two countries in 1960, and again in 1962 following the currency reforms, brought them to the brink, they never reached the point of no return. French aid continued to flow, albeit at a reduced rate. At the end of 1963, French technical assistance personnel numbered 267—one-fifth of the total serving in Senegal, but almost as many as in Upper Volta or Niger. In 1962–3, France also supported over 200 Malian university students and trainees. France does not provide a direct budgetary subsidy, as in some of her

[11] *L'Essor*, 28 December 1964 and 11 January 1965.
[12] *ibid.*, 4 January 1965.

other former African possessions, but supports specific projects. For example, she has pledged a total of 1,700 m. CFA francs in the form of loans and subsidies for the construction of the Sotuba hydro-electric scheme out of an estimated total cost of 2,370 m. CFA francs.[13]

Among the honoured guests who attended the fourth anniversary celebrations in September 1964 were not only two Frenchmen who had helped found the *Union Soudanaise* nearly twenty years earlier, but also the two colonial governors who had done their best to stem the party's growth during the following decade. In his speech, President Keita paid tribute to the French people, heirs to the Great Revolution of 1789, and to their present leader, whose policies provide 'a determining element for the maintenance of peace and of the independence of the peoples of Africa, Asia, and Latin America'.[14]

The European Economic Community and the Mediterranean area

J. R. LAMBERT

ONE of the long-term aims of the movement for European unity is to ensure for Europe a position of economic and political influence in the world. The Treaty of Rome contains little detailed provision, however, for the external relations of the European Economic Community. Article 237 provides for the admission of new members (a status reserved for European countries) and Article 238 for association, the nature of which is left entirely undefined. Articles 111 *et seq.* require the institution by the end of the transitional period of a common commercial policy. Lastly—and this has been a factor of immense psychological significance—the establishment of a Common External Tariff has made tariff policy the responsibility of the Community as a whole, with the Commission as its negotiator.

The Common Market area is by far the world's biggest importer, and runs the United States close as an exporter; and the drawing up of this

[13] Figures cited are drawn from: *Cinq Ans de Fonds d'Aide et de Coopération* (Paris, Ministère de la Coopération, 1964), p. 51 and appendices; and from *La Politique de Coopération avec les pays en voie de développement* (Paris, Ministère d'Etat chargé de la réforme administrative, 1963), appendix, p. 205.
[14] *L'Essor*, 28 September 1964.

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Common Tariff, though not destined to be applied until later, has brought home the realization that it will one day be a single economy. As such it could not fail to evoke a response from the major trading partners of the Six. It was natural for them to want to go beyond the multilateral negotiations in GATT and to settle their trade relations with the Community on a bilateral basis. As a result, the Community has had to react, more rapidly than could have been foreseen, to a series of approaches from its neighbours. As yet no overall policy has been elaborated—owing both to Member States' jealousy of their foreign-policy prerogatives and to the limitation of Community action to the economic sphere. But certain basic choices have begun to loom, and in response to them a pattern can be expected to emerge.

The applications for membership or association made in 1961 and 1962 by the Community's industrialized neighbours to the north have run into political deadlock; but to the south—particularly in the period since the breakdown of the British negotiations—a wide range of countries have staked their claims to a special relationship. Not surprisingly, it is the Community's neighbours around the shores of the Mediterranean which have shown the liveliest interest. These are countries which, for geographical and climatic reasons, have similar economic structures and above all similar patterns of trade with the Community. Their relations with the EEC cannot fail therefore to interact and to emerge as aspects of one general problem. The present article aims at outlining the Community's Mediterranean relationships as they have developed to date, and attempts to predict how far a coherent policy may be expected to emerge. In assessing the scope for a Community foreign policy (necessarily limited for the moment to the economic sphere), the Mediterranean area provides a valuable case study.

From the point of view of their juridical relationship with the Community, the Mediterranean countries fall into three categories. The first covers those countries which are geographically part of Europe and are therefore potential candidates for membership: Greece, Turkey, Yugoslavia, Albania, Cyprus, Spain, and (since her position can reasonably be assimilated to that of the others) Portugal. Greece and Turkey have negotiated successfully with the Community under Article 238, and for each of them the possibility of eventual membership has been held out. A second group comprises the four North African countries—Algeria, Morocco, Tunisia, and Libya—which enjoy a special position: in a Declaration of Intention accompanying the Treaty of Rome the Community undertook a commitment to three of them[1] amounting to an offer of association. Lastly there are those countries with no *a priori* relationship. To match this juridical grouping by a political one, it is possible to group those countries which have negotiated successfully with the

[1] Algeria is a special case; see below.

Community, namely Greece, Turkey, and Israel; those which are engaged in some kind of exploratory or formal contacts—the Maghrib trio, the Lebanon, and Spain; and those which have so far made no move—Egypt, Syria, Libya, Yugoslavia, Albania, Cyprus, and Portugal.

The importance of the Mediterranean area in the overall framework of the EEC's external trade is relatively limited. In 1962 Community exports to the countries concerned (including Yugoslavia, Albania, and Portugal) amounted to 13·6 per cent of total exports (in absolute terms they were worth $2,800 m.) whilst Community imports from the area ($2,300 m.) were 10·3 per cent of total imports. For the individual countries in the area, however, the Community is in many cases a trading partner of overriding importance. The following table shows trade with the EEC as a percentage of national exports and imports:[a]

		% of exports going to EEC	*EEC share in total imports (%)*
Algeria	(1961)	86·7	85·2
Tunisia	(1962)	73·7	65·8
Morocco	(1962)	58·1	54·8
Libya	(1962)	55·7	48·1
Turkey	(1963)	38·0	28·5
Spain	(1963)	37·9	33·6
Syria	(1962)	32·7	30·2
Israel	(1963)	30·4	22·9
Cyprus	(1962)	27·2	28·1
Portugal	(1963)	21·7	34·7
Egypt	(1962)	18·0	17·6
Lebanon	(1961)	2·2	24·2

The importance of the trade in question is often greater than the overall figures reveal, for Community imports from the Mediterranean area are concentrated on a relatively small range of agricultural products. Moreover, the economic links between the Community and the Mediterranean area are not purely commercial ones: they comprise long-established currents of migratory labour, and a noteworthy amount of development aid supplied by the Member States. In recent years Mediterranean countries received over 40 per cent of the total aid given by the Member States and by the Community as such. Exploratory talks held so far have revealed that in seeking to establish a permanent relationship with the EEC the Maghrib countries in particular attach as much importance to questions of aid and technical assistance as to purely commercial considerations.

In establishing a bilateral economic relationship, the Community has

[a] Figures based on the publications of the Statistical Office of the European Communities.

three courses open to it. The first is that of association which is specifically intended to lead on to membership—a solution which under the terms of the Treaty is open only to European countries. The second is the establishment of a preferential area—which may or may not be called an association, but which must, under GATT rules, amount either to a customs union or to a free trade area. The third possibility, allowing for the terms of the General Agreement, is that of a non-discriminatory agreement, the benefits of which are by definition open to all but which is calculated to favour particularly the partner with which it is negotiated. The limitations of this formula are obvious: though negotiated bilaterally, it implies that the concessions made are extended unilaterally to other interested parties; and it can, by its nature, only cover a limited range of products. The Community's earliest negotiations in the Mediterranean area have led to examples of both the first and the third solution. Applications now waiting to be dealt with require, as the following brief analysis will reveal, a fundamental choice between the second and the third formulae.

Greece, Turkey, and Israel

The Greek application for association was made in June 1959, when Greece found herself excluded from both EEC and EFTA and hastened to take advantage of the door left open by the more powerful of the two groups.[3] The Community, for its part, was in no position to reject this opportunity of proving its liberal intentions and helping its less-developed neighbour. Protracted negotiations and some skilful manœuvring on the Greek side led to the conclusion in June 1961 of a Treaty of Association on terms very satisfactory to Greece: it provides for the establishment of a customs union with the Community over an extended transitional period of twenty-two years, with gradual harmonization of economic policies; and holds out the prospect of eventual full membership, the political implications of which the Greek Government went out of its way to accept.

Although the association came into effect in November 1962, its implications are hard to measure. First trade figures available for the second year of application seem to show that Greek exports of industrial goods have begun to benefit from the 60 per cent cut in duties granted by Member countries.[4] It is agricultural trade, however, that primarily interests Greece, and a major clash has emerged which has taught the Community to be extremely wary in its future agreements. Greece has been insisting that the commitment to harmonization of farm policies contained in the Association agreement entitles her to participate at once

[3] See 'Greece and the European Economic Community' by the present writer, in *The World Today*, April 1961.

[4] 70 per cent since 1 January 1965.

in the machinery of the Common Agricultural Policy. The Six are loath to add an extraneous element to this already complex machinery, and offer instead entry for Greek farm produce on terms which would be more favourable than those granted to third countries and would improve as the Greeks bring their policy gradually into line with the CAP. Greece has already begun to benefit from direct economic aid granted via the European Investment Bank; this will amount over a five-year period to $125 m.

The Turkish request for association followed close on the heels of the Greek, in July 1959. Exploratory talks began in December of that year, but were broken off on account of internal political difficulties in Turkey; they were resumed only in April 1962. The Association agreement finally signed in September 1963 reflects a far more cautious approach on the part of the Community than did the Greek association. During a preparatory period of five years (with the possibility of extension to nine or even more) the Community is to grant Turkey tariff quotas for four key products (raw tobacco, raisins, dried figs, and nuts) which account for nearly 40 per cent of her exports to the Six, and to make available $175 m. in loans through the European Investment Bank. The 'transitional stage' of twelve years, during which a customs union will be established and economic policies harmonized, will not begin until the Turkish economy is considered to be sound enough to face the implications of such a development. As in the Greek agreement, provision is made for examining the possibility of full membership once Turkey is in a position to accept the resulting obligations.

If the Greek and Turkish agreements provide variations on the theme of association, the Treaty which came into effect between the Community and Israel on 1 June 1964 was the outcome of a lengthy exercise in another sphere—that of the non-discriminatory trade agreement. As early as October 1958 Israel had asked the Community for permanent contacts with a view to negotiation on trade problems, and in January 1959 she was among the first countries to establish a diplomatic mission to the EEC. In September 1960 the Israeli Government indicated to the Commission that it desired 'an association with EEC'; in the following year, after the conclusion of the Greek association, an Israeli memorandum asked for 'any form of agreement'. At that point the EEC Council of Ministers held that the opening of negotiations would be 'premature', and it was not until 25 September 1962 that the Council finally authorized the opening of negotiations for a solution to Israel's trade problems *other than association.*

Three rounds of negotiations took place in Brussels (27 November–7 December 1962, 5–13 June 1963, and in April 1964) interspersed with lengthy periods during which the Israelis reflected on the results and the Six sought with difficulty to agree among themselves. The negotiation

inevitably had considerable political overtones. On the Community side the unspoken feeling that Israel was historically entitled to special treatment was balanced by Member countries' awareness that they must avoid provoking the Arab States. As a result of public statements made in Community countries and the optimistically generous line taken by the European Parliament, Israeli hopes of a far-reaching agreement had been encouraged, and feelings ran high in the press and public opinion inside Israel.

Nevertheless, the Community's basic choice between association and a non-discriminatory agreement could be solved only one way. The close ties implied in an association were not acceptable to the Six, nor is it certain that Israel could have accepted the implications of such a solution. Even a trade agreement raised considerable problems. So successfully had Israel diversified her economy and her export trade that she is the Common Market's principal supplier for only a couple of products (brome and bathing costumes); and on the eve of the Kennedy Round the Community could not afford to grant in bilateral talks tariff concessions which could be effectively bargained in the coming multilateral confrontation. Israel can hope to benefit substantially from the Kennedy Round; in the meantime a judicious choice of tariff sub-headings enabled her to obtain some satisfaction. The Community made concessions of three sorts: immediate alignments on the Common Tariff suspended to a lower level; immediate alignments on the Common Tariff as it stands; and removal of import-quota restrictions. Some thirty products—clothing, chemicals, brome derivatives, and agricultural produce—were affected; all the concessions were non-discriminatory and will benefit other suppliers also. Lastly, Israel obtained from the Community a commitment to discuss the effect on Israeli exports of any agreement concluded in the future with a major supplier of oranges.[6]

The Lebanon and the Maghrib countries

The Lebanon's request for an agreement, received in 1963, raised a different set of problems and looks like leading to a third type of agreement. Investigations having revealed that the Community could offer little in the way of trade concessions (exports to the Community amount to only 2·2 per cent of the Lebanon total), the Lebanon asked for an increased programme of technical assistance. Although prepared to envisage the co-ordination of their technical assistance programmes, the Six have shown themselves wary of a formal commitment which would break with the tradition that this field is a strictly guarded preserve of national rather than Community activity. The Lebanese request for

[6] Significantly the Israel Foreign Minister stated in Paris on 15 March that Israel regarded her bilateral agreement with the EEC as only a first step towards the solution of her economic problems (*The Times*, 16 March 1965).

special credit assurance facilities raised problems of a similar nature. A request for most-favoured-nation treatment from the Community was less difficult to accommodate. A favourable outcome seems likely in the coming months.

A Protocol annexed to the Rome Treaty at the time of its signature ensured the maintenance of special treatment for Tunisia and Morocco on the French market; and a Declaration of Intention left these countries the possibility of applying for association with the Community. At the end of 1963 they took up this offer, and exploratory talks with the Commission took place during the first half of 1964. In the same period the Community had similar talks with Algeria, which at the time the Treaty of Rome was signed was legally part of France. Association could be a means of straightening out the present tangled relationship between Algeria and the Six; following her accession to independence, France has continued to treat her as an integral part of the Community, Germany does so for trade in industrial goods but not for foodstuffs, whilst Italy treats her as a non-Member country.

The EEC Commission has since reported to the Council on these three rounds of talks. From them it has emerged that each of the three North African countries would like to establish with the Community a free trade area in which, in exchange for free access to Community markets, they would grant reciprocity to the extent that their economic situation allowed. At the same time, all three countries put emphasis on the need for the agreement to cover economic aid, technical assistance, and the problems of migrant workers. It now lies with the EEC Council to decide whether, and on what terms, to authorize formal negotiations with the countries in question.

Libya, to whom the possibility of association was also left open, has little immediate practical interest in the problem since the development of her oil resources which now account for 98 per cent of her exports. But she might well be expected to follow the example of her neighbours if their negotiations lead to a successful outcome.

The case of Spain

Spain's desire to reach a bilateral agreement with the Community differs from all the other requests so far received in raising problems of an unequivocally political nature; added to which, she is second only to Algeria as a trading partner, exporting to the Community (in 1962) goods to the value of $503 m. and importing goods worth $354 m.

The original Spanish application—which referred to association—was one of the series received by the Community during the negotiations with Britain, and it was considered to be suspended with the others after January 1963. In February 1964, however, the Spanish Government wrote reminding the EEC Council of its application and seeking action

on it. It did so with the encouragement of the French Government, de Gaulle having made no secret of the fact that he would like to see Spain associated with the Community, or even admitted as a member.[a] When the Council of Ministers debated the matter in May 1964 there was a clear-cut divergence of views. France, Germany, and Luxembourg were prepared to give the Commission a negotiating mandate which left open the possibility of an association; Belgium, Holland, and Italy were all opposed on political grounds to the idea of association with the Franco regime, and wanted association specifically excluded. The compromise formula reached in June was limited to instructing the Commission to seek a solution to the economic problems arising for Spain as a result of the Common Market; the Commission made it clear, however, that it would carry out this mandate in the light of the views expressed in the Council. A first round of talks, at which the Spanish delegation indicated how it saw the shape of a possible agreement, was held in December 1964.

The Italian memorandum

The prospect of special treatment for a growing list of Mediterranean countries has aroused understandable concern on the part of Italy. In the carefully negotiated balance of interests upon which the Community is based, one of her major gains was a preferential position in the whole EEC area for her agricultural produce, with only the south of France as a potential competitor. With every new agreement to the south, it has been Italy who paid a price in terms of a whittling away of this preference.

In April 1964 the Italian Government took the initiative in presenting to its partners a memorandum setting out Italy's views on the lines which should guide the Community in its future policy: association should be strictly reserved for countries economically and politically acceptable as candidates for full membership; all other problems should be solved within the framework of non-discriminatory trade agreements; and no new commitments should be entered into until the Community had established an overall doctrine. This was an extreme position (extending beyond the Mediterranean framework to the question of Austria, which as a country politically unable to envisage full membership would be excluded from association) and intended primarily to stimulate the Six into consideration of their overall policy on economic links with their southern neighbours.

The need for a coherent policy

Even without the stimulus of the Italian attitude, however, the Community is fast approaching the point where it must make fundamental

[a] See 'Spain and the Common Market' by Richard Comyns Carr, in *The World Today*, June 1964.

choices about its policy in the Mediterranean area. The agreements concluded up to now have appeared to be the result of largely *ad hoc* reactions to the applications received: the association arrangements with Greece and Turkey were justifiable as steps on the way to eventual full membership to which both are entitled; in the negotiations with Israel the Community adopted the only practical course open to it.

In the case of the Maghrib countries, on the other hand, two alternative solutions are equally conceivable: a preferential agreement or a non-discriminatory agreement. A simple calculation reveals that preferential agreements with the Maghrib countries would cover some 50 per cent of the Mediterranean area's exports to the EEC; and if Greek and Turkish exports are added the figure is 63 per cent. Clearly such a solution would raise new problems for countries supplying the same products but excluded from the preferential area (above all, Israel and Spain), and would aggravate the threat to Italy's position within the Community. It can also be argued, however, that an association is by far the most effective means for the Community to contribute effectively to the development of countries with which it has traditional links and whose internal stability is of great importance to it.

The question now arising in the Mediterranean area is one aspect of the more general question: should the Community enter into new preferential arrangements with countries outside Europe? (The same problem arises in a similar form over the applications of Nigeria and the East African countries for association agreements which would run parallel to the Community's present African Association Convention and grant them free access to the EEC market. Again, there are arguments against extending the preferential area; and also arguments, of a different kind, in favour of the particular agreement envisaged.)

The only discernible thread running through the Community's actions hitherto in the Mediterranean area has been a genuine willingness to accept its responsibilities as a big and prosperous unit and to ensure that the creation of the Common Market does not bring hardship to its trading partners. Now the pressure of events will require it to make fundamental choices; and these will represent the beginnings of a policy.

In external relations, as in the Community's internal development, it is impossible to draw a clear-cut line between the economic and the political. Decisions which the Council of Ministers is required to take, under the specific terms of the Rome Treaty, can be essentially political: the policy to adopt towards Spain is only the most striking example; the search for a formula to accommodate neutral Austria is another. Thus, without the prospect of immediate progress towards an institutionalized political union or a co-ordinated common policy in the full sense of the word, some elements of a Community foreign policy must inevitably emerge. This is a field where 1970 is in no way a limiting date. Forthcoming

decisions regarding the Mediterranean area will be the first elements in a policy which may be an important factor in the world scene for the rest of the century.

The Congo rebellion

ROGER ANSTEY

'I SAW the first Simbas . . . about a week after. They came to the mission with a wild-looking witch-doctor at their head. They were shouting "Simba, simba, simba, mai, mai . . . Lumumba." '[1] The time was mid-September of last year and the writer Father Martin Bormann, son of the former Nazi leader and a missionary at Mondombe, in the south-east of the old Equateur province of the Congo, close to the border with the former Orientale province. The incantation which he quotes can usefully serve as a thread in this article, an article which is in some sense complementary to Miss Catherine Hoskyns's Note on 'The Tshombe regime' in the February issue of *The World Today*.

One may usefully begin with a consideration of the implications of the third term of the incantation—the name of Lumumba. The reasons for its invocation are in part obvious. After all, Patrice Lumumba was the most widely known nationalist leader, a man who had challenged Belgian authority more provocatively than most and who had suffered imprisonment for his political activities. Moreover, he had been the Congo's first Prime Minister. His death, within five months of his dismissal from office, gave to his name an extra dimension. The common African belief is that Lumumba's death, however carried out, was instigated by—in the jargon—neo-colonialists, that they got rid of him because he was seen as the most dangerous Congolese of all. In the words of the inscription on the bust of Lumumba at the recently opened Lumumba Institute near Nairobi: 'This institute is dedicated to Lumumba, the patriot who died at the hands of the imperialists and their agents for his firm championship of genuine political and economic independence and socialism in Africa.'

The truth about his death is a much more difficult question to answer

[1] *Daily Mail*, 4 December 1964.

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but, as so often, it is the legend which matters, and that legend has conferred upon the dead Lumumba the status of a martyr. The rebel Congolese Government has certainly pulled out this particular stop. In one of its manifestoes it attests its resolve that the Congo should not be plunged 'under imperialist domination after its liberation from colonialism by the hero martyr Patrice Emery Lumumba', and, amongst numerous other references to Lumumba in its literature, is the rhetorical extravagance of the concluding greeting in a manifesto addressed to Congolese youth—'Our sincere lumumbisms'!

Lumumba tradition

A more direct organic link with Lumumba is indicated by the fact that the rebel movement's first manifestoes described the creation of the National Council of Liberation (CNL) as the work of the 'Nationalist-Lumumbist parties'; and when one gets down to examine the membership and background of the rebel leadership one finds that they come largely from the *Mouvement National Congolais-Lumumba* (MNC-L) or from the *Parti Solidaire Africain* (PSA), a regional party of medium strength, which co-operated closely with Lumumba and the MNC-L from June 1960 onwards. Thus, of the present or one-time leaders of the CNL of whom particulars are known to the present writer, MM. Asumani, Bocheley, Gbenye, Kiwewa, Lubaya, and Lukunku were members of the MNC-L (or a closely allied party) whilst MM. Kama, Mulele, Mulundu, and Yumbu came from the PSA.

Moreover, it was by virtue of being deputy Prime Minister in Lumumba's Government that, following Lumumba's dismissal, Antoine Gizenga (PSA) claimed to be Lumumba's political heir and established his own Government at Stanleyville. In this briefly autonomous regime one finds another unifying factor in the rebellion. Bocheley, Gbenye, Kiwewa, Mulele, and Yumbu were either members of the Gizenga Government or diplomatic representatives of it, whilst the notable exception to this pattern of origin, M. Thomas Kanza, the rebel Foreign Minister, also represented the Gizenga Government abroad. This last is in many respects the rebel Government's most distinctive figure. Unusual in separating himself from his Bakongo brethren, who are virtually rock-solid behind President Kasavubu, he was also the Congo's first graduate and has continuing academic interests (a review of his appears in a recent number of the *Journal of Modern African Studies*). He has also been the Adoula Government's chargé d'affaires in London.

Amongst the CNL leadership tribal homogeneity appears to play little part; however, five of the eleven leaders who have beeen considered had an association by birth, residence, or electoral office with Orientale apart from any association with the Gizenga Government. If the inspiration of the CNL as such is not tribal, it is to be supposed that the appeal made

ıt the grass-roots level in the several areas of revolt has a tribal com-ponent. Certainly it was by operating in this paradoxical fashion that the MNC-L became a national party in 1959–60.

There is, then, among the rebel leaders, a strong, radical, Lumumbist radition. Beyond this, they may, for the most part, be tentatively in-erpreted as average men of limited education, with continuing memories of how under colonial rule a limit was set to their advance, themselves uspended between an African culture and a European which they have had little opportunity fully to enter, disappointed that the fine hopes of June 1960 have come to nothing, ill-equipped to analyse the com-plexities of the Congo's problems, and therefore seeing everything in crude 'cops-and-robbers' terms. If this interpretation is even remotely correct, then these men really do believe what their manifestoes so fre-quently repeat—that the Congo must be totally decolonized and Belgo-American domination, working through men of straw in Léopoldville, be ended; it may be significant that, as far as Europeans are concerned, ntentional barbarities and killings have been principally reserved for Belgians and Americans. No doubt more universal appetites, such as dis-appointed ambition and a desire for political power, confer a further mpulse.

How firm is the authority of the rebel Government? At one level, the experiences of European refugees suggest that the control of the rebel leaders and officers over their men is limited. At another level, a possible limitation on the authority of the central leadership is implied in the fact that the CNL came into being only on 3 October 1963 (following Kasa-vubu's dissolution of the Congo Parliament), that is to say, some three months *after* Mulele had begun to foment a rising in Kwilu. Although this first rising therefore had independent origins, it is claimed that the risings which began in May 1964 in Kivu-Maniema and North Katanga were at the direct instigation of the CNL, concerned to prevent the Congolese National Army (ANC) from achieving an effective concentration in Kwilu.

On the other hand, there have been reports of a split in the CNL, with Bocheley, in Brazzaville, and Mulele, perhaps in northern Kasai or Kwilu, at odds with Gbenye in north-east Congo. Why, otherwise, have the rebels been generally inactive in Kasai-Kwilu in recent months? In contrast, however, the murderous attack in late January on Nkolo, across the Congo river from a CNL training camp in Congo-Brazzaville and only 200 miles from Léopoldville, could suggest a concerted action. Very recently there has been a speculative report suggesting a multiple division amongst the rebel leaders: the Brazzaville group is said to be divided (Bocheley versus a Colonel V. Pakassa), whilst Gbenye, Soumialot, and a group at Kigoma under a M. Kabila are thought to be at odds with each other. It is also rumoured that the African States backing the

rebellion have initiated a conference at Khartoum to restore harmony.

There have also been outright breaks away from the CNL. Kiwewa, Lubaya, and Yumbu have left it, Lubaya to find a place in the Tshombe Government.

Effect on youth

The incantation reported by Bormann was chanted by simbas and included 'simba' as one of its terms. With 'Jeunesse', 'simba' is a frequently recurring word, and both in Swahili and Lingala, the two major *lingue franche* of the Congo, and in other Congo languages as well, means lion. Basically, the simbas are the rebel troops proper who have received some training and who are equipped with firearms. The original plan of revolution seems to have been that a force of simbas should appear in an area from outside, obtain the sympathy of as many people as possible, and enlist the youths and boys as auxiliary warriors. In this last aim the rebels have enjoyed considerable success. In one town known to the writer, which was briefly occupied by the rebels last July, they were at pains to behave with moderation, and some quite moderate and mature people were persuaded that the rebels were the answer to the varied ills which had plagued the area since independence.

How much more was this true of the boys and youths. Nowhere has independence—which frequently had an apocalyptic dimension—brought the looked-for benefits, but too often only insecurity, maladministration, and economic decline. The boundless credulity of the village African in face of phenomena outside the normal range of his experience must also be borne in mind. For the young there was an additional cause of disillusion in the failure of independence to bring the scholarships and educational opportunities for which they yearned. In the present writer's view, there are reasons peculiar to the Congo which make the general African problem of frustration amongst youths especially serious, and which do much to explain the widespread participation of the young in the rebellion. These reasons have their origin in the unprecedented success of the Belgians in spreading primary education widely, and in attaining a low mortality rate amongst children, as well as in the agonizing experience of moving from one culture into another. By 1960 nearly 75 per cent of all children between the ages of six and twelve were in primary school. But even by the end of Belgian rule, the opportunities for post-primary education were utterly disproportionate to the numbers who had received primary schooling. These young hopefuls were near universally convinced that their education in Western arts—in reality pathetically fragile—had entitled them to something better than the traditional labour of the village; they had come to look with disdain on the village and rarely returned to it voluntarily. The discerning saw the problem developing well before independence. For example, as long ago

as the early 1950s a Belgian Inspector of Education could write—with all too much prescience:

'The principal cause of the critical situation of native youth, in my view, is the excessive disproportion between the number of primary schools ending nowhere and that of post-primary schools (ratio of 60 to 1). The former pupils of the primary schools will be a breeding ground for unemployed, for loafers and gangsters, of no use to the community, disappointed, discouraged and to-morrow in revolt.'[1]

External aid

In considering the military side of the rebellion, an important question is that of the form and extent of external aid. Sympathy, usually impassioned, came from most of the newly independent African States immediately after the Stanleyville–Paulis paratroop drop. But when one tries to assess the type and degree of actual assistance, one finds the borderline between fact and rumour blurred indeed. Notwithstanding, there is reasonably firm evidence for believing the Sudan to have permitted such transit facilities as the use of Juba airfield for the landing of equipment, subsequently sent by road into rebel-held Congo, and to have harboured Gbenye and other rebel leaders for a period. In the spirit of his declaration of 23 December last that 'we do not conceal but openly say that we have sent arms to the Congo and we shall send more arms to the Congo',[2] President Nasser has had two leaders, Soumialot and Olenga, in Egypt to discuss means of helping the rebels, and may have provided training courses for rebel troops in Egypt, as well as arms. A month previously, M. Ben Bella had promised Algerian arms and volunteers and it seems clear that Algerians are playing an active part in training rebel troops within north-east Congo, and almost certainly in operations also.

It would seem that the Chinese influence is restricted to assistance in training rebels in Congo-Brazzaville and, possibly, in Tanzania. Until the end of January it was perhaps in Burundi that Chinese training activities were most pronounced. But as long as Tanzania looks favourably on the rebel cause, and if it is the case that she is prepared to give house-room to Chinese agents, the expulsion of the Chinese from Burundi at the beginning of February has only limited significance. Uganda's role is more enigmatic: it may be that there really was a Ugandan raid in the Mahagi–Bunia region in mid-February, in response to the alleged bombing of Ugandan villages by Congo air force planes, but what the raid's implications are is not clear.

External aid to the rebels has had, it would seem, more than a narrowly military dimension. Ferocity in war is known well enough in

[1] Quoted by Nelly Xydias in *Social Implications of Industrialisation and Urbanisation in Africa South of the Sahara* (Paris, UNESCO, 1956), p. 325.
[2] Quoted in *Africa Diary* (New Delhi), 16–22 January, 1965, p. 2141.

Africa but the continuing calculated murderousness of the rebellion seems to have about it the flavour of some imported revolutionary method. It is not so much the killing of European hostages which leads to this conclusion as the much more extensive and persistent killing of opponents of the rebels, and especially the natural leaders and the educated. It is at least credible that such methods should stem from Chinese and Algerian techniques of revolution, whilst it may also be relevant to recall the vogue currently enjoyed in some French-speaking African circles by the late Frantz Fanon, a Martiniquian who immersed himself in the Algerian rebellion, and who provided a justification for the necessity of bloody revolution.[4] It is perhaps in revolutionary methods rather than in any revolutionary political doctrine that external influence has been evident.

Since the capture of Stanleyville and the ANC-mercenary securing of the major towns—but little more—in north-east Congo, the rebels have made a military come-back to the extent that they inflicted a defeat on a substantial Government force, near Bafwasende, early in February, and on a smaller force, near Bumba, at the very end of the month. Whilst there may be a definite moral effect in defeating forces well stiffened with mercenaries, the actual Government casualties were reported to be few, and there is certainly as yet no sign of the major rebel offensive, with the recapture of Stanleyville as its aim, promised by Gbenye for February. At the moment, it appears that each side is strong enough to prevent the other doing what it wants to do but not strong enough to achieve its own objectives. The ANC has not sealed off the frontiers; the rebels have not regained more than a few of the towns which they have lost. But a Government offensive in north-east Congo is daily awaited, and Government troops may shortly succeed in reducing rebel posts at points such as Elisabetha and Yangambi and thus permit the supply of Stanleyville by river. Nor can the alleged rebel disunity assist rebel chances of military success.

Magical and psychological aspects

The significance of the incantation reported by Bormann, which it was suggested might serve as a thread for this article, has still been only partly elucidated. More especially the separate terms of 'Simba, simba, simba, mai, mai, Lumumba', as well as their linking together in an incantation, have a magical and psychological significance. The reason for bestowing on the soldier the term for a lion is presumably that 'simba' conjures up the stealth and sudden pounce of the attacking lion as well as its great strength. This identification would seem also to have a psychic

[4] See, e.g., the symposium 'Homage to Frantz Fanon', *Présence Africaine*, Vol. 12, No. 40, First Quarter 1962, pp. 130–52 (English edition); and J.-P. Sartre's preoccupation with Fanon in his preface to Jean Van Lierde (Ed.), *La Pensée Politique de Patrice Lumumba* (Brussels, Le Livre Africain, 1963).

dimension in a world-view in which the universe is made up of hierarchically arranged and inter-acting 'force-beings'. For, in such a world-view, the strengthening of the individual's *force vitale* is of major concern and is possible through magical means. Seen in this light, there is a supernatural significance in the incantation of 'simba' and 'Lumumba'. In regard to the second term of the incantation,[5] Bormann has indicated that its significance was the simba belief that this would turn the bullets of their opponents to water. There is abundant evidence that rebels have often believed that they possessed this kind of immunity. On a study of the psychological basis of these magical beliefs the present writer has neither the space nor the competence to embark. Fascinating comparisons with magical beliefs in other African rebellions and particularly, perhaps, with Mannoni's observations on the Madagascar rising[6] cry out to be made. But it must here suffice to say that a study of the rebellion which did not bear in mind its psychological and magical aspects would be as meaningless as an explanation of the operation of a steam engine which omitted all reference to the draughting arrangements.

The Tshombe regime

An assessment of the rebellion would be incomplete without consideration of the position and recent achievements of the Tshombe Government. Whilst his hopes of a purely military solution have not yet been fulfilled, M. Tshombe has in recent weeks achieved some notable successes of other kinds. He has continued along the path of partial reconciliation—and thus further elaborated the multi-ethnic basis of his power—by giving the formative role in the national party he has initiated to fight the forthcoming elections to M. Isaac Kalonji. Kalonji is a Muluba and formerly a member of the Balubakat party, Tshombe's strongest rival. However, it remains to be seen how much support this new Conaco party will obtain in the elections which are to be staggered over six weeks from 18 March onwards.

Secondly, Tshombe has reached an agreement with the Belgian Government providing for the handing over of shares in a number of Congo companies whose ownership had been contested by the Belgian and Congolese Governments, and settling related disputes. That the agreement was not absolutely final and that it may not have been so very different from the earlier agreement concluded by M. Adoula weighed as nothing, in the minds of cheering Léopoldville crowds, beside the £666,000 royalty and dividend cheque paid over by the *Union Minière*.

Thirdly, Tshombe has never lost sight of the truth that politics is about power. Half of the ANC is said now to consist of Katangans whose basic loyalty is not in serious doubt, and who frequently fight well. To

[5] 'Mai', meaning water.
[6] See O. Mannoni, *Prospero and Caliban* (Methuen, 1956), especially pp. 59–60.

this are added one or two efficient battalions trained by General Mobutu, and, of course, the mercenaries. On occasion serving humanitarian goals, the methods of the mercenaries have sometimes been only less horrible than those frequently used by the ANC proper and unjustified by military necessity. This can only hinder true pacification; but it has given the Léopoldville Government an effective military power for the first time since independence, a power whose long-term strengthening has already been initiated by the use of Belgian officers for training newly raised recruits.

Finally, there appears to be a growing number of African States which believe that Tshombe must be treated as the Congo's lawful Prime Minister. This group has evidently gained a tactical victory at the recent Nairobi conference of the Organization of African Unity by preventing the admission of rebel delegates and by deferring further consideration of the Congo problem by the Organization until September—by which time Tshombe believes he will be in a stronger position.

But the death of Lumumba, probably to an unjustifiable extent, still dogs Tshombe's footsteps, as the persistent demands for a further inquiry testify. In one sense, indeed, the whole essence of the rebellion is the antagonism of the heirs of Lumumba towards the regime and particularly the man, Moïse Tshombe, whom they see as the antithesis of all their patron saint stood for. Both in supposing themselves to be the true heirs of Patrice Lumumba, and in their assessment of Tshombe as stooge and opportunist, they are likely, however, to be merely in the grip of stereotypes of their own making.

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Note of the month

Storm over Berlin

THE storm in a teacup over the Bundestag's meeting in Berlin last month was very soon over. The task of assessing its lessons and consequences is likely to take rather longer to complete. The proposal to hold such a meeting originated with the *enfant terrible* of German politics, Dr Mende, a man as misunderstood as he is underestimated in Britain. Once the proposal was mooted, it was virtually impossible for his CDU partners and SPD rivals to oppose it, especially as the manœuvre was shrewdly designed to steal some of the thunder enjoyed by the SPD's leader in the forthcoming elections, the Oberburgermeister of Berlin, Herr Brandt.

But to represent this proposal merely as a move in the preliminaries to elections which for the first time the SPD seems to have a chance, however small, of winning, is to misunderstand the workings not only of Dr Mende's mind, but also of contemporary opinion in Germany. The rebuff which Dr Erhard suffered in Paris in December, the growing American preoccupation with Asia and President Johnson's virtual abandonment of the MLF, the increasingly friendly noises being made by their French partner towards the Sino-Soviet bloc, and, last but not least, their continuing misgivings over the policy of the British Labour Government have begun to induce in the West Germans a realization of the long-term nature of any resolution of the German problem, and a fear that time is not necessarily on their side. Two decades of a divided Germany are almost over and the third seems to hold out no very obvious hope of a change in the *status quo*. Under these circumstances, the urge to reassert Germany's rights, to disturb the comfort of the *status quo*, to call attention to the impossibility of the present situation is always there.

These almost subconscious anxieties were reinforced by the progress of the DDR's diplomacy in the third world. The success of the DDR in Tanzania and the imminence of the Ulbricht visit to Cairo seemed to call for some major gesture to counter them, to reassert the Federal Republic's claim to be the only legitimate German Government, and to remind the countries of the third world of the degree to which the DDR was merely a projection of the Soviet occupation forces. To these considerations were added a number of legalistic arguments of the kind to which Germans are always inclined to give more weight than non-Germans. The Bundestag had not met in Berlin since 1958, the year of Khrushchev's 'ultimatum'. In September 1965 the Fourth Bundestag was due to be dissolved for new

elections, so that if it was ever to meet in Berlin it would have to be before that date. To allow the life of a whole Parliament to pass without one meeting in Berlin was regarded as highly dangerous from a legal point of view; rights lose their validity if they are not asserted. These arguments weighed heavily with the Western Occupying Powers in Berlin, who had been responsible for preventing the Bundestag from meeting in Berlin every year since 1958.

Most German politicians, and for that matter the representatives of the Occupying Powers, will freely admit that the degree of the Soviet and East German reaction had been miscalculated. They were no doubt influenced in this by the failure of the Soviet and East German authorities to protest last year when the Federal Assembly, which includes not only the members of the Bundestag but also of the Landtage, met in Berlin to elect the President. Also a number of meetings of Bundestag committees had taken place earlier this year in Berlin without any protest or action. As it was, the Soviet action in closing the Autobahn and staging continuous breaking of the sound-barrier over West Berlin was taken very stolidly by the West Berliners, and to some extent welcomed by the West German authorities as a public demonstration of the continuing Soviet will for a divided Germany. It is only in the aftermath of the incident that doubts and hesitations are beginning to be heard in the Federal Republic.

The first of these has been stirred by the lack of reaction on the part of Germany's allies in NATO, who have certainly disappointed German opinion by persisting in seeing the Bundestag's action rather than the Soviet reaction as constituting the 'provocation'. Then, it is beginning to be argued, the Bundestag gave the Russians a gratuitous opportunity to demonstrate, at Germany's expense, their repudiation of Peking's charges of having sold out to the West. In view of the Sino-Soviet conflict over Vietnam, this was pure folly. The Bundestag has also succeeded in giving Germany's allies in the West the impression that it was simply playing electoral politics with the Allied presence in Berlin. Lastly, if Germany's NATO allies regarded the Bundestag's action as unwise and provocative, it is fairly certain that the 'uncommitted nations' would regard the Soviet reaction as justified, and that the West German position in the third world has been weakened, not strengthened.

Perhaps the only people really to gain from the situation are the West Berliners themselves. New guarantees of their security have been given, not least by Mr Healey on his visit to Germany at the tail-end of the crisis. Trade is booming, immigration from West Germany is balancing the loss to the labour force from retirement and death, and Berlin's economy is growing at over 5½ per cent a year. Only the Wall continues to draw its line through the city, and West Berlin business houses and restaurants draw away from its vicinity. The two Berlins are growing inexorably apart.

D. C. Watt

Election year in West Germany

FRITZ RENÉ ALLEMANN

FOR the fifth time since 1949 the West German voters will go to the polls on 19 September to elect their Bundestag or Federal Parliament. This, in itself, represents no mean achievement to those who still remember the scepticism prevailing at the time the Federal Republic was set up. Any observer who had then predicted such a long career of unbroken political and governmental stability for the shaky fledgling State, founded as it was under the protection of the three Western Powers, would have been considered a reckless optimist. In the meantime, however, the Republic has become not only independent but also prosperous and sturdy, and has reached a state of consolidation that may well be considered astonishing in view of the heavy handicaps with which it was saddled from the start: a divided nation, a war-scarred economy, 8 million expellees from Eastern Europe, and 3 million refugees from the Soviet Zone.

Nor has this outstanding success been founded merely on the 'economic miracle'. Prosperity was, of course, its principal condition; if the Federal Republic had not solved its economic problems, its political course would have been more hazardous. Yet the argument may well be reversed: without political stability to provide a strong framework, economic recovery might have been held up for much longer and could even have been dissipated by the psychological dangers of insecurity. Anyway, the most prolonged economic boom in German history has given the new and unproven democratic institutions time to put down roots—and that was exactly what they most needed.

This does not mean, of course, that all Germans have become fervent democrats. Their acceptance of democratic ways may, in some respects, still be lukewarm rather than enthusiastic, a matter of convention rather than of deep-seated principle. The important thing, nevertheless, is that this acceptance has never been questioned by any significant and broad-based sector of public opinion. It goes so far, indeed, that even the extreme right wing of the neo-Nazis feels bound to pay lip-service, at least, to the present Constitution and its underlying values. None other than Dr Gerhard Frey, the editor of the ultra-nationalist *National-Zeitung*—the main neo-Nazi mouthpiece—has called Democracy and the Rule of Law

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'those two ideals vital (unerlässlich) to our people'. If this reads like sheer hypocrisy, it has to be remembered that hypocrisy is the tribute vice pays to virtue: the mere fact that an unregenerate, if clever, defender of the Third Reich expresses himself in this rather startling way indicates how impossible an outright attack on democratic principles has become even for those whose adherence to these principles could scarcely be trusted.

To put it in a nutshell, democracy has become a habit for the Germans. And if habit is neither particularly noble nor a completely secure bastion against upheavals, it still constitutes, after all, the main ingredient of what, in more grandiloquent language, is called tradition. There is no doubt that something akin to a democratic tradition—even though still a shaky one—is in process of evolving in Western Germany. And though this process is only in its initial stages and still shows many symptoms of uncertainty, it cannot be denied that, up to now, it has gone remarkably smoothly, particularly if one bears in mind how frail the former German attempts at democracy have been, and how much the native democratic heritage has been broken and scattered in a succession of authoritarian and totalitarian regimes.

During the long Adenauer era, many people, Germans as well as foreigners, often asked themselves whether, under its parliamentary cloak, the Federal Republic was not itself strongly tinged with the authoritarian brush. It is certainly true that its first Chancellor, the man of 'lonesome decisions', exerted his power in a highly personal and autocratic manner, checked only by his supreme lack of interest in all matters outside high policy (which, in the German context, invariably means foreign policy) and party politics. But in retrospect, the truth emerges more clearly than ever that his strong and self-willed fourteen years' rule —in spite of some swiftly corrected lapses from legality—really helped rather than hindered the difficult transition from Nazi totalitarianism and a more or less benevolent Allied authoritarianism to the practice of self-government. Above all, he demonstrated to the Germans one thing which they had rarely if ever experienced in the past: that democracy does not preclude forceful leadership (even though this leadership faltered somewhat towards the end of his Chancellorship). And though his successor has not shown anything like his will-power and his formidable grasp of affairs, this lesson will not be easily forgotten.

There is, however, one aspect of the political stability of Western Germany that might give some cause for thought or even for anxiety: the fact that the Federal Republic has not yet gone through the normal process of a change of government. From 1949 to the present time, the Government has been led and dominated, though in varying degrees, by the same party: the Christian Democratic Union, together with its semi-independent Bavarian off-shoot, the Christian Social Union. Having started with only a small lead over the Social Democrats (SPD) in a

Parliament comprising no less than ten parties of the most varied shades of opinion, the CDU/CSU was able, after the first four years, to collect an absolute majority of parliamentary seats and, in 1957, an over-all majority of votes as well—a position no other party in German history had ever before achieved in free and unfettered elections. And though this unique position was lost again in 1961,[1] the CDU still remained by far the strongest party in a House where only three parliamentary groups were left.

It is this unbroken record of one-party ascendancy that gives this year's elections their particular interest: for the first time it looks, at least at this moment almost five months before polling date, as if the perpetual government party might be seriously challenged by the hitherto no less perpetual Opposition. In fact, the latest opinion polls of March show the Socialists again in front after a short lapse in January when the two major contenders had drawn even. This has never been the case before, so shortly before the elections. Looking back over the years, one can observe instead a typical regular pattern: the Opposition has always been strongest around the middle of a parliamentary term, and at that point, without exception, it has always looked as if the SPD was going to win the next round, but invariably about a year or so before election time, the pendulum has swung back again, and the nearer the polling date the bigger the lead piled up by the main government party. Even in 1961, the pattern seemed to repeat itself in exactly the same way; it was only in August of that year, when Ulbricht put up the Berlin Wall and Adenauer committed the near-fatal error of continuing electioneering just as if nothing had happened, that the Christian Democrats forfeited their chance of re-establishing their complete domination of the Bundestag, a domination which otherwise would have been a foregone conclusion.

Behind this peculiar rhythm followed by public opinion from one parliamentary term to another, one can grasp some of those basic facts of German politics which are responsible both for the long and stable predominance of the CDU and also for the particular features of this year's contest. On the one hand, contrary to most expectations, the Germans have developed into an extremely conservative people reluctant to change and extremely suspicious of any experiments. Never were these feelings more frankly appealed to and more successfully played upon than in the CDU's electoral slogans of 1957: 'No Experiments' and 'What we Have we Know'. Fundamentally, the situation has not changed since then, and the Christian Democrats' propaganda will certainly rely again this year on the same type of appeal. Prosperity and security are the catchwords which have served them well ever since they came to power—prosperity based on that 'free economy' that seems embodied in the burly, confident

[1] See 'Federal elections in West Germany' by J. Emlyn Williams, in *The World Today*, December 1961.

figure of Dr Erhard, security against the dangers of war and foreign invasion guaranteed by the integration of Germany into the Western alliance. Nobody questioning these basic tenets has the least chance of overthrowing a Government which holds fast to them.

Nevertheless, there has always existed a strong undercurrent of opposition and vivid, if vague, dissatisfaction not so much with the substance of government policy (for which a broad majority could always be mobilized) as with the methods of government—a widespread feeling of mistrust against what many people considered a certain smugness and self-righteousness on the part of their chosen leaders. Between federal elections this feeling has found an outlet not only in the habitual mid-term anti-Government swing of public opinion, but also in state and local elections. The Socialists have normally been much more strongly represented in the local councils and state Diets than in the Bundestag; this has been the case not only because of their good record in communal and Land administration, but also because, in these lower echelons of representation, they could always rely on a certain not inconsiderable 'protest vote' from those who, having put the CDU into federal power again and again, wanted to express a measure of sympathy for a downtrodden and hopeless Opposition party by strengthening it in those elections where they felt it could do no harm. In fact, local government and state elections have come to play, within the German political structure, very much the same role as by-elections in Britain: to serve as an outlet for emotions that one dares not voice in national elections.

In the course of recent years, however, this pattern of behaviour has slowly but perceptibly changed, and the main feature of this change stands out clearly: there has been a complete switch in the political attitude of the Opposition. Having fought the Government's policy tooth and nail for more than a decade both in home and foreign affairs, the Social Democratic Party has, since the late 1950s, successively made its peace first with the free-enterprise system (by dropping its nationalization proposals as well as its former insistence on "planning") and then also with the Government's international policy. Thus, after renouncing its former opposition to rearmament and the inclusion of Germany into the Western alliance as well as its campaign against 'atomic death', and after abandoning its advocacy of military disengagement in Europe and sacrificing its *Deutschlandplan* ('Plan for Germany') which had gone a long way in the direction of a transitory confederation with the Soviet Zone as a means towards national reunification in a neutralist framework, the SPD finally arrived at the acceptance of its political opponents' foreign policy, lock, stock, and barrel.

This complete reversal of all the party had stood for did not occur quite as suddenly as it appeared to the public, and it certainly cannot be regarded simply as a tactical move. It was, to a large extent, conditioned by

the utterly negative Soviet attitude towards the reunification proposals which had formed the mainstay of the Socialists' platform. Sooner or later, the SPD was forced to realize that all these elaborate proposals were left in the air, and the acute Berlin conflict which directly involved the position of its candidate for the Chancellorship, Willy Brandt, as Governing Mayor of Berlin was bound to hasten this realization. This was, however, only one aspect of the startling process by which a great party began to abandon what it had previously stood for and to adopt what it had previously condemned. The other aspect was the growing conviction of the new SPD leadership centred around Brandt, the formidable ex-Communist Party manager, Herbert Wehner, and Germany's most brilliant parliamentarian, Fritz Erler, that the only chance of the SPD's coming to power lay in a strategy of accommodation to the public mood. It became increasingly clear to the Social Democrats that, this mood being what it was and proving unshakable, the Opposition could become strong enough to loosen the Christian Democratic hold only by renouncing its Opposition posture and by offering to the electorate an alternative team rather than an alternative policy. The two pressures—that from outside applied by Russian intransigence and that from inside arising from the apparent immutability of the German political set-up—combined together to force through the transformation of the SPD from a left-wing radical party (in the British sense of the word 'radical') with neutralist leanings into a mild centre party wedded to a Western, European, and Atlantic orientation. And this change-over found its valid expression in the new electoral slogan propounded by Willy Brandt in 1961 and taken up again this year: that a Socialist (or Socialist-led) Government would 'not make everything different but many things better' than the CDU Administrations—a slogan interpreted by the party's critics to mean that the SPD wanted to become 'the best CDU that ever was'.

This new line has been pursued, over the last five years, with extraordinary determination and with a growing ruthlessness against all the scattered rebel groups inside the party who are reluctant to accept the switch. And whatever may be said against it—that it robs the voter of all but personal alternatives and that it tends towards 'depoliticization' and therefore, in the long run, to a weakening of German democracy—it has certainly paid, up to now, a succession of handsome dividends. Last year's local elections in most of the Western German Länder reached a peak of Socialist influence never attained since 1945: not only has the SPD tightened its hold on the local councils in practically all the big cities and in most of the industrial areas, but it has also at last begun to penetrate, slowly but consistently, even those rural and Catholic CDU strongholds that had seemed utterly impermeable to its influence. And if, six months before the elections, the opinion polls show the Socialists in

the lead again on the national level, this points to the success of a strategy patiently designed to blunt all edges and to stifle all controversy on matters of real importance. Thus, for the first time for sixteen years, it has at last become a definite possibility that the SPD might emerge from the electoral struggle as the strongest party—maybe even strong enough to prevent its being kept out of office by a coalition of the two other parties (or three, if we count the Bavarian CSU apart from the CDU). At the same time, however, such a change of government seems to have become to a large extent politically meaningless, the Opposition being committed to exactly the same policy as that followed by those at present in office.

In view of this last fact, the existing state of flux in public opinion, which renders any forecast extremely hazardous, may well seem astonishing. It becomes even more baffling (and even more difficult to make forecasts) if one bears in mind the contradictory nature of present evidence. On the one hand, there is a strong, though somewhat irregular, trend towards the Left (if, for practical purposes, one may still site the SPD in that position, relative as the traditional terms have become). On the other hand, however, there is a current of opinion running strongly against this trend if one turns from political predilections to the issue of personalities: the personal popularity of Chancellor Erhard still dwarfs that of all other German politicians and runs far ahead of his party's somewhat shattered prestige, while his SPD rival Willy Brandt steadily continues to lose personal support and lags far behind the favour shown to his party. This issue may turn out to be all the more important (and may, in the end, mar the Opposition's otherwise excellent prospects), because during Adenauer's long reign elections developed more and more into something like personal plebiscites. The CDU has already announced, during its party congress in Düsseldorf at the end of March, that it will base its campaign strategy on this strange dichotomy by convincing the electorate that 'a vote for the SPD is a vote for Brandt'—while, conversely, the SPD will have to stress instead that it is impossible to vote for the popular Herr Erhard without voting for the unpopular CDU.

Dissension within the Union parties

Nevertheless, the Union parties can also run into difficulties, both on political and on personal counts. Politically, they are badly handicapped by their internal dissensions. It is well known—and the knowledge has slowly seeped through even to the basically non-political strata of the electorate—that behind the persistent in-fighting going on in the Christian Democratic ranks (and, more particularly, within their leadership) there stands a deep cleavage of opinion on fundamental matters of high policy. It is certainly far too much of a simplification to reduce this conflict to a division between 'Atlanticists' and 'Gaullists' or between the

protagonists of an 'American' and those of a 'French' orientation. Ever since President Johnson shelved the MLF issue which had provided the biggest bone of contention between the two camps, this aspect of the struggle has taken on somewhat artificial features. In fact, Chancellor Erhard himself, even before his visit to President de Gaulle at Rambouillet in January, had switched towards that very policy of closer collaboration with France which he had rather neglected during the past year;[3] and if this about-turn has not brought him (or Germany) any spectacular results and has not even prevented de Gaulle from moving closer to the Soviets, it has at least taken some of the bite out of the backhanded attacks of the German 'Gaullists'.

Yet it has not established real peace between the contending factions. One has only to listen to the stringent criticisms which ex-Chancellor Adenauer likes to direct against his successor (and, even more so, against Foreign Minister Schroeder, who has become the *bête noire* of the conservative party wing) to realize how deeply divided the CDU has become. And even if Adenauer keeps more or less quiet in public now about these differences (although with occasional lapses from his self-imposed discipline), he still voices his opinions with somewhat brutal frankness when speaking off the record. According to him, Chancellor Erhard and Dr Schroeder have, by alienating de Gaulle, produced exactly the situation which his own policy had successfully striven to prevent during his time in office: a Franco-Russian *rapprochement* tending, in the last resort, to isolate Germany and to reduce her to the rank of a mere pawn in her neighbour's policy.

This is the kind of reasoning that is termed 'Gaullist' in Germany, even though it may also imply quite considerable criticism of de Gaulle's own policy, and even though no one of real consequence is willing to follow the French President the whole way in his more irresponsible anti-American declarations and moves. These strictures have never actually been thoroughly debated inside the CDU, let alone in Parliament where the party always tries to present a united front. The division of opinion persists, therefore, without ever being brought out into the open. Yet it has led to a strange, and indeed almost paradoxical, situation. For while Dr Schroeder's position inside his own party is far from comfortable, with a large group of his party colleagues saddling him with the main responsibility for Germany's foreign difficulties (both with regard to the Middle East and with France), he still has a clear majority of the Bundestag behind him. But this parliamentary majority cuts right across the general political line-up: the lack of support from the Christian Democrats is offset by a strong pro-Schroeder trend within the smaller government party, the Free Democrats (FDP), and by the backing of the Opposition

[3] See 'The Franco-German Treaty: the end of hereditary enmity' by Maxim Fackler, in *The World Today*, January 1965.

with whom the Foreign Minister has become, in a way, more popular than with his own CDU.

This is a particularly striking example of a general development which tends to obscure and to confuse the present German political scene: the traditional dividing lines between the parties have less and less relevance to the real issues at stake. Thus Schroeder, who is very much a conservative at heart and closely bound up with industrial interests, and who, as Minister of the Interior, was unanimously hated and derided by the Left, now finds his most solid support in the ranks of the SPD, whereas the conservatives of all types are striving to get rid of him. And these tensions certainly do not help the CDU's electoral prospects: a party divided against itself and uncertain of the course to take is rarely very attractive.

Its attractiveness has been impaired still further by a striking lack of leadership. Erhard has never been a real politician. His succession to the Chancellorship came about against Adenauer's advice and in spite of his tenacious obstruction (Erhard was chosen as the best vote-getter). He gives very much the impression that he finds it difficult to make up his mind about anything: it always needs the strongest pressure of outside events and of his advisers before he takes the plunge. If Adenauer has been called the man of 'lonesome decisions', Erhard, on the other hand, exasperates his friends by what may be termed public indecision: loath to offend anybody, moved by a most sincere goodwill towards all the contradictory forces pulling him hither and thither, animated by lofty but cloudy sentiments, he is the very opposite of his stern and crafty predecessor. This is one of the factors explaining his popularity: he is so manifestly a man of the best intentions that the public feels very warmly towards him and overlooks, or at least tends to forgive, his waverings and his lack of energy and staying power.

Yet while these shortcomings are personally rather endearing—particularly to a basically unpolitical people like the Germans—the feeling of drift and aimlessness which overhangs German policy has certainly not helped the public image of the Government. The sympathy felt towards the head of this Government is outweighed by the doubts engendered by its many reverses: the difficulties with France, the somewhat cool atmosphere that has recently developed between Bonn and Washington, the standstill in the endeavours to create some measure of political unity in Western Europe, and, last but not least, the sudden and violent crisis arising out of Ulbricht's visit to Cairo and the consequent confusion in German-Arab relations.

Finally, the CDU is faced with its own rather dangerous problem of personalities. In the centre of this problem stands one of the most forceful and intelligent but also most feared and mistrusted politicians of the Federal Republic: former Defence Minister Franz Joseph Strauss. As head and undisputed boss of the Bavarian Christian Social Union, which

has kept its completely independent organization though it forms, in Bonn, a common parliamentary group with the CDU, Strauss is one of the most powerful men within the government ranks. And this remains true even though he had to leave the Government in 1962 because of his responsibility for the extra-legal procedures followed in the ill-fated proceeding against the news magazine *Der Spiegel*, and because of his initial attempt to mislead the Bundestag about the extent of this responsibility when this *cause célèbre* resulted in an unprecedented parliamentary uproar.

Der Spiegel, a highly influential weekly strongly opposed to the CDU Government, had for a long time conducted a violent campaign against Strauss, not only because of his political views but also on charges of dishonourable and corrupt conduct—charges which have never been cleared up before the courts. Even apart from this scandal, Strauss has long been held by many people of very different views to be a dangerous and irresponsible politician with strongly nationalist leanings and a knack for power politics, combined with a ruthless opportunism and a tendency towards war-mongering. On all these counts, he has become by far the most unpopular and hated politician on the Bonn scene; both the Socialists and the Free Democrats have proclaimed it as one of their aims to keep him out of federal office. The CDU, on the other hand, cannot afford to get into trouble with him, because this might lead to a break between the CDU and the CSU. It is difficult to assess the importance which the widespread animosity against this clever and ambitious man may assume at the polls. At any rate his unpopularity is as much an electoral liability for the Christian Democrats as Erhard's popularity is their main asset. Though he will probably accumulate a huge vote—even an over-all majority—in his native Bavaria, the urge to keep him out may tip the scales against the CDU outside his own stronghold.

The Free Democrats

In these circumstances, the outcome of the elections may hinge on the showing of the third party: the FDP—the only group outside the CDU/CSU and the SPD which seems certain to be represented in the next Bundestag. It is not only the smallest but also, in many respects, the most interesting of the three parties surviving from the relentless process in which one contender after another has been knocked out. In the 1961 elections, the Free Democrats scored a big success: for the first time they gained 12·8 per cent of the popular vote and, thereby, the possibility of holding the balance between the bigger battalions. This upsurge was mainly due to the sudden drop in Adenauer's popularity after 13 August: having committed themselves to enter a coalition Government with the CDU under any Chancellor but Adenauer (which, in practice, meant under Erhard), they won the support of most of the voters who wanted to get rid of 'der Alte' without opening up the Government to the SPD.

This sudden access of Liberal strength has proved ephemeral, however. When the FDP, after the elections, agreed to enter a Cabinet headed again by the old Chancellor, its newly won supporters quickly turned their backs on it, either drifting back to the CDU or, in most cases, turning to the Socialists. For a long time now, the public-opinion polls have given the Free Democrats the bare 5 per cent of the national vote which they need, under the Electoral Law, in order to claim parliamentary representation. Only in the last few months have events seemed to take a turn for the better. In the uncompromising stand which the Liberals have taken against any extension of the Statute of Limitations concerning Nazi murders (which they consider to be an illegal and unconstitutional piece of retroactive legislation), they have developed a strong appeal *vis-à-vis* the right-wing elements who are bitterly opposed to any continuation of Nazi trials; this adhesion of somewhat illiberal elements may easily swell their hard core and put them beyond the danger zone.

Once again they have promised to continue the existing coalition. To the majority of their middle-class voters, this is certainly welcome: in matters of social and economic policy, the German Liberals are actually a right-wing rather than a centre party, and they have consistently opposed the trend towards a welfare State, while the CDU, on the other hand, has worked for its steady extension. At the same time, however, the Free Democrats have attracted some small, but far from negligible, following from the Left because, since the SPD switch, they have become the proponents of unorthodoxy in foreign policy: alone among the three parties, they have come out strongly against the Hallstein doctrine, proposed the immediate establishment of diplomatic relations with the Eastern European States, and even envisaged some striking modifications in the West German attitude towards the Eastern Zone. Actually they are trying, rather cleverly, to combine a record of conservatism in economic and financial policy with sturdy liberalism in cultural matters and in everything touching civil liberties, and with a rather experimental *avant-garde* posture in foreign affairs. By this mixture of elements appealing to widely different strata, they hope to gather enough support from all sides to continue holding the political balance. And they obviously intend to tip this balance, once more, to ensure a Government excluding the SPD.

Whether this calculation will prove correct is another matter. It depends not only on the strength of the SPD vote, though this will be, of course, a prime consideration: any combination of minority parties in order to keep out the strongest group would not, according to precedent, be well received by the public. There is, however, another aspect to be kept in mind. Within the CDU (and especially within its 'trade-unionist wing', which is firmly based on the Catholic workers' vote) there has always been some sympathy for a 'great coalition', embracing the Socialists and leaving to the Liberals the ungrateful task of opposition.

Even many of the more conservative Christian Democrats feel inclined towards such a solution; they have become impatient with the fickleness of the Free Democrats and tend to feel that the SPD might prove, in the end, a more comfortable and reliable ally. As to the SPD itself, it has long given signs that it would prefer to join the CDU in what Willy Brandt has called a 'government of national concentration'.

Such a government—with the idea of which even Adenauer toyed for a moment during the 1962 crisis—remains, therefore, a distinct possibility. Its effects would be far-reaching and might prove fatal to the Liberals. For if the two big parties combined forces, they would be able to put the finishing touches to a development which has been on the cards for a long time: by changing the Electoral Law and adopting the British voting system, they could effectively eliminate the FDP altogether and arrive, by one stroke, at that two-party system which Germany has spontaneously been heading towards ever since 1949. Up to the present, the Socialists have been wary of this move because they feared that its only effect might be to strengthen the Christian Democrats, who might, under such a system, attract most of the FDP following. If, however, the SPD came close to an over-all majority next September and, by this means, overcame its traditional 'minority complex', it might very well regard things in a different light. And any offer to agree to such a change could well prove irresistible to the CDU.

Thus, while it would be rash to expect any fundamental changes of policy from a Socialist electoral success, there is a definite chance that such an outcome might lead to an altogether new political structure, eliminating the need for coalition Governments and leaving only two parties with very similar policies to compete for power.

Nine years of political and economic change in Ceylon

B. H. FARMER

It is almost exactly nine years since the present writer wrote an article entitled 'A "People's Government": Social and Political Trends in Ceylon', which appeared in *The World Today* of July 1956. This described

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the elections of 1956, which brought to an end the long rule of the United National Party (UNP), and swept into power the *Mahajana Eksath Peramuna* (MEP), the 'People's United Party'. The UNP had in fact been in power since independence came to Ceylon on 4 February 1948, and its principal leaders (notably Mr D. S. Senanayake, the first Prime Minister of independent Ceylon) had held office from 1931 onwards under pre-independence Constitutions. The MEP which defeated the UNP so decisively in 1956 was a coalition, led by Mr S. W. R. D. Bandaranaike, in which his Sri Lanka Freedom Party (SLFP) was the main component ('Sri Lanka' is the Sinhalese name for Ceylon). During the nine years since April 1956, the SLFP and its allies have been in power (though the allies have differed in composition from time to time) save for a very short period between the April and July elections of 1960, when the UNP formed a government. Mr Bandaranaike was Prime Minister until his assassination in September 1959, his widow, Mrs Sirima Bandaranaike, succeeding him after an interval in which there was first an uneasy caretaker government and then the short-lived UNP government already mentioned. Now the elections of March 1965 have terminated Mrs Bandaranaike's period of office: she is replaced by Mr Dudley Senanayake, leader of the UNP, who heads a coalition in which the UNP, so crushingly defeated in 1956, is by far and away the strongest component. (Mr Senanayake, son of D. S. Senanayake, was Prime Minister from his father's death in February 1952 until he resigned in favour of Sir John Kotelawala in October 1953; and was again Prime Minister during the short-lived UNP government of 1960.)

Here, then, is an appropriate moment at which to review what may be called 'The Bandaranaike Era'; to estimate the forces that have brought the UNP (albeit in coalition) back into power; and to assess the prospects of the new Government.

The Bandaranaike era

Mr Bandaranaike, who had earlier been a member of Mr D. S. Senanayake's Cabinet, came to power in 1956 partly because of popular dissatisfaction with the UNP and partly because of a cleverly negotiated series of electoral pacts with parties of the Left, but mainly because he first sensed the importance of, and then exploited, a groundswell of discontent, a veritable second wave of nationalism that was gathering strength in the Sinhalese countryside. The forces behind this wave were compounded (1) of Buddhist revivalism (owing something to *Buddha Jayanti*, the celebration of the 2,500th anniversary of the Buddha, in 1956–7); (2) of linguistic nationalism (for the Sinhalese language has historically defined the Sinhalese people and enshrined their culture and traditions, which give them a special destiny as the 'defenders of the faith', and as the preservers of Buddhism); and (3) of economic frustra-

tion directed against the Tamils and against the English-educated élite (for the village middle class—the Buddhist priests, vernacular schoolmasters, ayurvedic physicians, and shopkeeper-money-lenders, who felt with especial force the emotions of religious revivalism intertwined with linguistic nationalism—was also the class which, in a period of mounting population and rocketing unemployment believed itself to be cheated out of jobs in government service because it was not literate in English, and resented the privileged role of the English-speaking classes and of the Tamils, who were thought to have more than a fair share of government jobs).

The English-educated élite of Ceylon is apt to look back on the days before 1956 as to a golden age, when its influence was unchallenged, when the shops and warehouses of Colombo were packed with imported goods, from expensive ladies' shoes to motor-cars, and when law and order reigned, so that the outside world was able to point with glowing approbation to Ceylon as the supreme example of a country with a plural society that had made a peaceful transition from colonial status to independence. (And some of them, at any rate, are by all accounts convinced that the golden age is back again following the election results of March 1965.) Whatever be the truth of the idyllic picture of a golden, pre-Bandaranaike age, it cannot be gainsaid that the Bandaranaike era itself was a very different period. The influence of the élite certainly declined; this might not have been a bad thing, some would say, were it not for a disastrous decline in the morale and effectiveness of the public service. The Colombo shops came to look like Mother Hubbard's cupboard. And there was a depressing catalogue of strife and violence, with the communal rioting in July 1956, over the imposition of Sinhalese as the sole national language; the far worse communal rioting and violence of 1958;[1] the assassination of Mr Bandaranaike in September 1959; an attempt at a *coup d'état* during the period of office of the ensuing caretaker government (the trial of those implicated has only just been completed); long periods of emergency rule; and wave after wave of strikes (though strikes were far from unknown during the 'golden age', and it was the accusation that he was responsible for the deaths of a number of persons during a strike in early 1953 that led to Mr Dudley Senanayake's resignation in favour of Sir John Kotelawala). A particularly serious consequence of the prevalence of strikes was the growing inefficiency of, and declining confidence in, the port of Colombo, which is so vital to the country's economic life.

It seems fair to say that some share of the blame for this catalogue of disorder must be laid on Mr Bandaranaike. His exploitation of the language issue had something to do with communal disorder; and his encouragement of trends hostile to the English-educated élite and to labour

[1] See Tarzie Vittachi, *Emergency, '58* (London, André Deutsch, 1958).

discipline had something to do with the prevalence of strikes and wit consequent disorders (though other political parties than his SLFP notably the parties of the Left, were also involved in the use of strikes a political weapons).

Economic affairs

What of economic affairs under the Bandaranaikes (to which the problems of the port of Colombo have already been some introduction) There can be no doubt that in a number of respects Ceylon's economi position has worsened in the last nine years, though there has been brighter news from time to time. The balance-of-payments position has ofte been dangerous, and drastic curbs on foreign exchange and on import have had to be imposed. Budget deficits have given cause for alarm: an a notable crisis blew up in August 1962, when Mr Felix Dias Bandaranaike, the then Finance Minister, largely as a method of reducing hi budget deficit, proposed to reduce the rice ration by 25 per cent. (I should be explained that Ceylon's rice-rationing system is not so muc a way of ensuring equitable distribution as a method of subsidizing bot production and consumption, rice being bought from the cultivator a considerably more than the market price and sold to the consumer fo less than that price.) Not for the first time, a proposal to tamper with thi system led to a furore (it was a proposal in the same sense in 1953 that le to the strike which in turn led to Mr Dudley Senanayake's resignation and Mr Dias Bandaranaike was forced to resign. Partly because of defici budgeting, there has been inflation, and rising prices have been a powerful cause of the discontents that have sparked off strike action. Inflatio in turn has had something to do with the tendency for the consumer t spend more on imported goods, and this in turn has reacted on the advers balance of payments (though low prices, especially for such export commodities as rubber and coconut products, have been a contributor factor).

The Bandaranaikes' policy is often represented in the West as essentially leftist, though enough should have been said to make it clear that i a sense it was reactionary—because it depended so largely on, and in tur contributed to, backward-looking, somewhat chauvinistic, linguistic an religious nationalism. But, partly because of Trotskyite allies in his 195 MEP coalition, partly because of a largely unacknowledged debt t Indian socialism as expounded by Nehru, partly for reasons of gainin popular support, perhaps even by conviction, Mr Bandaranaike institute certain measures of nationalization, which were extended in his widow' Government and which took a new turn when she entered into a coalition with Dr N. M. Perera's *Lanka Sama Samaj* Party (LSSP, 'Ceylo Equality Party', another Trotskyite group) in May 1964. In May 196 an Act was passed to take over the plants and other assets of certai

foreign oil companies, and it was the unsettled argument over compensation for the assets of American oil firms that led to the suspension of U.S. aid to Ceylon not long afterwards. On several occasions, there appeared to be a threat to nationalize British and other tea and rubber estates, though this threat never in fact materialized and from time to time the interests concerned were reassured. All these things did nothing to increase the confidence in Ceylon of foreign capital, which tended to be withdrawn rather than invested; nor was confidence increased by Dr N. M. Perera's measure, introduced after he became Finance Minister in the SLFP–LSSP coalition of May 1964, to suspend the remission of dividends, ostensibly to save foreign exchange during the renewed balance-of-payments crisis of that year.

In the last resort, however, it is perhaps not so much conscious policy, whether in terms of rice subsidies or threats of nationalization, that constitutes the principal charge on economic grounds against the Bandaranaike regime: it is rather the lack of policy. For inevitably in a period of turmoil, of emergencies, of preoccupation with language, religion, and the sheer politics of staying in power, nothing like enough sustained, serious, and careful thought was given by Ministers, or could be given by the public service, to pressing problems of economics. That is not to say, however, that the Bandaranaike era has no economic advances to its credit. Before 1956, there had been no co-ordinated economic planning of the sort that India had undertaken with the formulation of her first Five-Year Plan in 1951: there had merely been what were in fact a series of departmental estimates bound together as a *Six-Year Programme of Investment, 1954/55 to 1959/60*. It was under Mr Bandaranaike that there was produced the Ten-Year Plan (1959–68), whose generally sound strategy it was (given the nature of the island and of its economy, and the very rapid rate of growth in population and labour forces) to attempt progressive industrialization concurrently with an improvement in agricultural production, obtaining capital goods for industrialization from abroad and gaining sufficient foreign exchange by substituting home production for other imports and by expanding exports of tea, rubber, coconuts, and other products. Many observers, however, thought the targets in many respects optimistic, and so they are proving to be—not least because of the general political situation. But rice yields are rising, as are yields of tea and rubber; while, helped latterly by import restrictions, a number of industries have got under way. Some, like the cement works at Kankesanturai and the paper works at Vallaichenai, go back to the activities of the pre-1956 UNP Government; others are more recent. In the last few years, there has been an encouraging growth of consumer-goods industries founded by private entrepreneurs, though these are as yet nothing like so active as their opposite numbers in India.

This brief review of the Bandaranaike era must not be brought to a

close without mentioning two other of its features: a sustained attempt to control the press, and a realigned foreign policy. Conscious of the fact that both the English-language press and wide sections of the vernacular press were basically hostile to it, the SLFP and its allies have, over almost the whole of the last nine years, attempted to introduce legislation designed to control the press, and even to take over the two companies principally concerned. The campaign against the press acquired additional heat after the LSSP went into coalition with the SLFP in May 1964; but for one reason or another—legal difficulties, and the problem of satisfying government M.P.s and at the same time not running too far foul of world opinion—no enactment was in fact passed. In consequence, the press was able to run a campaign clearly hostile to Mrs Bandaranaike and her coalition during the months before the recent elections (and in so doing to forfeit the respect of some at least of those outside Ceylon who are concerned for the freedom of the press in the island). Mrs Bandaranaike retaliated by using Radio Ceylon as an organ of government propaganda.

During the days of the pre-1956 UNP Governments, Ceylon was out of line with the neutralism of India and other Afro-Asian countries, and continued to permit Britain to use the naval base at Trincomalee and the RAF station at Katunayake, together with other facilities; while Sir John Kotelawala made a sensational attack on Communism at the Bandung conference. But Mr Bandaranaike, soon after his electoral victory in April 1956, abrogated the defence agreement with Britain and set Ceylon on the neutralist course which has been followed ever since. Ceylon has also aspired to play something of a part on the world stage: and Mrs Bandaranaike can be said to have become an international figure, not only as the first woman Prime Minister, but also as the would-be mediator in the India–China border dispute. Certainly, after a hesitant beginning in which she clearly leaned heavily on her advisers, notably Mr Felix Dias Bandaranaike, she acquired far more skill, confidence, and presence in her own right. Mention must also be made of the agreement concluded with India in December 1964 on the problem of Indians in Ceylon.

The elections of March 1965

On 23 March, Ceylon went to the polls in generally orderly fashion for the fifth general election since independence, and the UNP was returned as the largest single party. The strength of the parties as a result of the election is shown in the table opposite. It should be explained (1) that the Sri Lanka Freedom Socialist Party is a splinter group from the SLFP, led by Mr C. P. de Silva, a Minister in Mrs Bandaranaike's last Cabinet who, crossing the floor with his followers, brought down that Government by one vote and so precipitated the election; (2) that the

MEP, here shown to have won two seats (with the JVP), is the survivor of the Trotskyite group that entered the 'MEP' coalition with Mr Bandaranaike in 1956, left it after a great dispute in 1959, and took over the name of the former coalition from the 1960 elections onwards; (3) that the Communist Party which won four seats (as in the elections of July 1960) represents a pro-Russian rather than a pro-Chinese orientation, the pro-Chinese wing, such as it was, having been decisively routed at the elections; (4) up to six members remain to be nominated to represent interests not adequately represented by elected M.P.s (for example, European planting interests and the Burgher community).

	Seats Won	*% of poll*
UNP (United National Party)	66	39
SLFP (Sri Lanka Freedom Party)	41	30
FP ([Tamil] Federal Party)	14	5·4
LSSP (*Lanka Sama Samaj* Party)	10	7·8
SLFSP (Sri Lanka Freedom Socialist Party)	5	3·2
CP (Communist Party)	4	2·7
TC (Tamil Congress)	3	2·4
MEP/JVP (*Mahajana Eksath Peramuna/Jatika Vimukti Peramuna*, 'National Liberation Front')	2	2·8
Independents and others	6	6·5
	151	

It may be noted that, as in other recent elections in Ceylon, there was a very high poll: 81·5 per cent of the electors recorded valid votes (compared with 81·7 per cent and 82·4 per cent in March and July 1960, respectively). The Ceylonese electorate is indeed fully aware of the importance of a general election, and has changed its government in four out of five post-independence elections.

The swing to the UNP in terms of seats (30 to 66) was far greater, as was to be expected, than the swing in terms of votes (some 2·4 per cent). So, in the opposite sense, was the swing away from the SLFP (75 seats to 41, a 3·7 per cent adverse swing in votes). There were far smaller swings in the case of most of the other parties. Though the LSSP lost two seats, the Communist Party retained its four seats, and it is not possible to talk of a massive swing away from the Marxist parties: it is clear that the main movement was from the SLFP to the UNP, though in Tamil areas the TC made some inroads on the FP strength.

To what causes can the shift from SLFP to UNP be attributed, always supposing that definite issues existed in the minds of the electorate and that the shift was not due, as one commentator put it, to the mere 'swing of the pendulum' (a facile view, in the present author's opinion)? It should be said straight away that the complicated economic problems that loom so large in the minds of Western commentators—the related problems of population increase, economic growth, productivity, inflation, and imbalance on foreign account—meant and mean little except to members

of the intelligentsia, who are themselves but a fraction of the urban English-educated middle class. But there can be no doubt that the scarcity of imported consumer goods was a factor in the minds of this class, while rising prices in an inflationary situation influenced a wider social group. On the other hand, these economic considerations weighed less with the peasantry as a whole; they have benefited enormously by what is, in fact, as a result of the operation of the rice-rationing scheme, a transfer of purchasing power from other classes. Nor did they weigh with those urban and other workers who were under the influence of trade unions friendly to the SLFP–LSSP Government. And it is hard to assess the impact of the million voters on the register for the first time.

It is also an over-simplification to view the result as a swing away from the Left, though it is perhaps more true to see anti-Marxism as a factor in the 1965 election than was the case in those of 1960. For Mr Bandaranaike's 'socialism' was of a mild variety, in spite of his tactical coalition with some Trotskyites; and in 1959 it was the latter, and not his right wing, who left the coalition. But Mrs Bandaranaike seems to have become influenced by Ministers within the SLFP like Mr T. B. Illangaratne who were 'Left' at least in the sense that they believed in stronger measures of nationalization; while, when she found it necessary to strengthen her Government by entering into coalition with the Marxist LSSP, and when that coalition, like her husband's, ran into difficulties, it was her right, anti-Marxist wing which crossed the floor and ensured her Government's defeat in the House—not the LSSP, who remained her allies throughout, even after the elections, and are said to have tried to persuade her not to resign. Certainly her delay in doing so created a moment of great tension. There was a good deal of Marxist jargon, too, in her election manifesto, while some well-known Marxists fought the elections on the SLFP ticket. There can be no doubt that the alliance with the Marxists, fear (whipped up by the press) of what might be the effect on Buddhism of Marxist-dominated government, and fear (also whipped up by the press) of alleged activities on the part of Communist China in Ceylon and of alleged Chinese influence in the SLFP–LSSP coalition, all had some influence in some quarters. Thus, sections of the Buddhist clergy and Buddhist middle class (both English-educated and vernacular-educated) turned against the SLFP and towards the UNP (one of whose assets is the fact that Dudley Senanayake is a genuinely devout Buddhist). All of this was happening at a time when, on the surface, there was much less heat in the language issue, which had turned so many village middle-class people to Mr Bandaranaike in 1956. But one must not exaggerate the total effect of the swing from SLFP to UNP. After all, nearly a third of the electorate voted for the SLFP and 37·8 per cent for SLFP and LSSP combined (only 1·2 per cent short of the UNP vote); while SLFP members predominate in Uva and North-central Provinces.

The prospects for the new Government

Clearly, given the strength of the parties in terms of seats, Mr Senanayake and the UNP can govern only with the support of other parties, particularly of the Tamil Federal Party. Given the fate of previous coalitions in Ceylon, one cannot predict quiet waters for his government for anything like a full five years ahead: *a fortiori*, because of the extremely wide political spectrum in his coalition—all the way from those in his own UNP with capitalist interests, from the SLFSP (who left Mrs Bandaranaike because of her Marxist alliances), and (on the Right in another sense) from the rabidly pro-Sinhalese communal party, the JVP, to the surviving MEP, originally more revolutionary than the LSSP but now, it is being said, 'moved to the Right' (whatever that may mean—perhaps that it has grown more communal, since there was an alliance at election-tide between the MEP and the JVP). Moreover, there are many possibilities within the government parties, and within the Cabinet, for personal rivalries and jealousies and for inter-caste tensions.

It may be argued, of course, that Mr Senanayake can do without the smaller parties, given Tamil support. But the Federal Party in particular is unlikely to have agreed to join the Government without bargaining for concessions beyond its one Cabinet seat: possibly, wider powers for District Councils and preference for Tamil-speaking people in colonization schemes in the Northern and Eastern Provinces. But, much as one would like to see a Sinhalese-Tamil *rapprochement*, there may be grave difficulties ahead: not least because the fact that he allied his party with, and made concessions to, the Tamils may be held against Mr Senanayake at the next elections, whenever they may be.

A further source of danger to the new Government comes, not so much from the wide village-based support for the SLFP, but from the dissidence of workers in unions hostile to the UNP, who demonstrated in Colombo while Mrs Bandaranaike was hesitating to resign. Nor is this the only possibility. Immediate resentment in the labour-forces just mentioned is against the Tamils for joining in coalition with the UNP and thus, they say, preventing the establishment of another 'People's Government'. If demonstrations take a communal turn, they may well spread to the countryside.

The return of a UNP-dominated Government has given a certain measure of satisfaction in the West, but while one would not expect such a Government to be hostile to British or other Western economic interests (and greater confidence on the part of foreign capital, together with the restoration of American aid, will benefit the economy of Ceylon), it is unlikely that there will be any departure from neutralism. And while one would wish the new Government well in attempting to grapple with the country's overwhelmingly important economic problems and would hope that it will bring Sinhalese and Tamils together,

one must, at the risk of being called a pessimist, conclude by expressing anxiety about the difficulties—economic, communal, political, and otherwise—that undoubtedly lie ahead of it and of its sincere and dedicated leader. It will need very strong and very wise leadership to hold the coalition together and to make sound moves towards a solution of Ceylon's pressing problems.

Background to the 1965 Argentine elections

PETER RANIS

THE results of the Congressional elections held on 14 March reaffirm the continuing presence and influence of *peronismo* in Argentina. Failure to dissolve, to integrate, or really to fragment the movement has once more become apparent, though there are many signs of the changing content of *peronismo* as it adjusts to a new political reality.

Peronismo survives Frondizi

The 1955–8 military caretaker Government's suppression of *peronismo* failed to weaken the movement significantly, but rather fostered its relentless desire to reconquer the social-economic gains won under the dictatorship of Juan Perón (1945–55). The bankruptcy of these tactics led to the integrationist policies of President Frondizi following his overwhelming electoral victory (with *peronista* support) in 1958. But the momentary illusion of conciliation with Frondizi's ruling party, the *Unión Cívica Radical Intransigente* (UCRI), was emphatically dispelled by the astounding *peronista* victory in the 1962 elections which directly led to the overthrow of the civil Government.

After four years in power, President Frondizi had felt secure enough, on the strength of several national and provincial electoral successes, to allow the *peronistas* to compete openly in the Congressional and gubernatorial elections of March 1962.[1] By this policy, the UCRI hoped to win all the anti-*peronista* votes. Moreover, it let it be known that, in the event of large *peronista* majorities, there might be not only an institutional

[1] See 'Conflicting forces in Argentina' by David Huelin, in *The World Today*, April 1962.

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crisis but also military intervention; it hoped thereby to receive not only non-*peronista* votes but also those of *peronista* supporters who feared a social crisis that would redound to the detriment of their own cause. In conformity with electoral tendencies since 1957, the *peronistas*, with neo-*peronista* support, did extremely well, however. Together they won 34 per cent of the vote, 42 seats in the Chamber of Deputies, and 11 out of 19 contested governorships. The total *peronista* and neo-*peronista* vote exceeded the 27 per cent achieved by the UCRI, and represented the most complete triumph of *peronismo* since the days of the Perón regime.

Frondizi's failure either to integrate or to defeat the *peronistas* thoroughly undermined his Government's prestige. The *Unión Cívica Radical del Pueblo* (UCRP), the other half of the *Unión Cívica Radical* which had split in 1956 into the UCRI and the UCRP, led several parties in demanding his resignation. The labour sector made no move to defend the President, and the military were almost solidly in agreement that Frondizi and his 'integrationist' policies had to go. Frondizi was arrested and the President of the Senate, José María Guido (the vice-presidency was vacant), was 'promoted' to the presidency.

Though personally courageous, Frondizi had not made a serious stand for democratic procedures. He adroitly adopted realistic policies instead of persistently hanging on to outmoded dogmas, but he never unreservedly supported the preservation of civil government. Most notably, he failed to make a determined stand in defence of the legality of *peronista* participation in the March elections. In order to avert an open military take-over, he intervened in the majority of provinces where the *peronistas* had won governorships, invoking Article 6 of the Constitution calling for federal intervention. Under the Constitution, however, he (and the military) could have reserved the right to intervene in any province should one of the *peronista* governors-elect have chosen to adopt totalitarian methods or policies. There was therefore little excuse for annulling the entire election, thereby losing an opportunity to bring the *peronistas* back into the democratic fold.

Under the subsequent military-controlled Guido Government, Congress was dissolved, the *peronistas* proscribed politically, and all elections held since December of the preceding year annulled. The forcible implementation of these measures, by an unconstitutional Government, marked a retrogressive step in the country's political development. All possible doubts as to the authoritarian behaviour of the Government were dispelled when the Guido Administration announced the appointment of interveners in each of the political parties to conduct a revision of their programmes and organization. The decree ordered all political parties to cease functioning forthwith, and stipulated that they be reorganized within a period of 120 days. Meanwhile, all party assets and documents were seized.

The Guido Government, however, regarded itself as an interim government with complete but temporary authority. In conformity with this role, it announced that elections would be held in the summer of 1963 and that a system of proportional representation would be introduced. There followed the promulgation of Political Party Statutes specifying party qualifications, procedures, platforms, and activities. Reaction to this plan was generally negative. The political parties particularly questioned the legitimacy of statutes issued while Congress was disbanded and the people unrepresented. Furthermore, it was felt that these laws would in no way solve the problem of what to do with the *peronistas*.

The political picture following the overthrow of the Frondizi Government was confusing indeed. What emerged from the morass of military-inspired executive orders and judgments was a type of government by arbitrary and contradictory fiat, with a corresponding deterioration of legal procedures and institutions. There was no lawful Congress, no lawful President, and few bona fide provincial governors. Military-dominated as was the Guido Government, it was a military incident which modified the Government's view of its role and responsibility. An army *coup* in September 1962[2] resulted in the emergence of a more democratically oriented military leadership. In a now famous army communiqué, No. 150, the new leadership, under General Juan Carlos Ongania, stated its desire to allow the civil Government liberty of action, to return quickly to constitutional elections with the participation of all sectors, and to plan and promote economic and social development.

Because of the vacuum created by the Guido interventions in the political parties, the struggle for power within the armed forces became of central importance. This competition for supremacy between the two main factions was based not only on their differences of opinion and ideology but also on a deep-seated and profound lack of consensus and a basic social division. The battle had been waged among the military throughout Argentina since the fall of Perón. The outbursts of actual fighting in September were the first large-scale and overt confrontation between those who believed that *peronismo* as a non-totalitarian movement could be integrated into political society and those who desired a thorough purge of the *peronistas* and a complete proscription of the movement. The victory of the more democratic forces led to a shift of the balance of power within the Government in a liberal direction, and there arose again the possibility of elections, the most obvious difference between these and previous elections being that the controlling military faction now firmly supported a return to legal civilian government.

[2] Armed encounters and fighting in several populous eastern provinces resulted in victory for the 'legalist' faction as opposed to the 'interventionist' faction which opposed an eventual return to civilian government.

In March 1963, as a result of its compliance with the articles of the Political Party Statutes, for example with that concerning references to Perón, and following its general modification of *justicialismo* (Perón's so-called political philosophy), the *Unión Popular*, the most consistently influential of the pro-*peronista* parties, was legalized. Detecting certain moves towards allowing *peronista* participation in the forthcoming elections, the conservative wing of the military revolted in the first days of April; this revolt was firmly quashed by 'liberal' forces led by General Ongania. The result was to ensure the holding of elections, ultimately fixed for 7 July, though it did not affect the mass of restrictions that were to encumber them.

Less than two months after the *Unión Popular* had been legalized the decree was reversed, on 18 May. Because the *Unión Popular* had not sufficiently demonstrated that it was no longer under Perón's control, it was to be allowed to present candidates for national deputy seats and provincial legislative and municipal offices only.[3] In the presidential, vice-presidential, and gubernatorial elections, the *peronistas* were therefore obliged to vote for electors representing the newly formed *Frente Nacional y Popular* in which the *Unión Popular* participated along with the UCRI and the Christian Democrats. In June a further decree stated that all national candidates of the *Frente* must come from parties other than the *Unión Popular*; furthermore, no persons with even a remote connection with the *Unión Popular* were allowed to run for executive office, and the decree gave warning that any party running candidates connected with the *Unión Popular* would have its entire list of candidates banned. This, of course, presented problems, since the existence of the *Frente* presupposed a coincidence of political motives and some prior agreement between the parties; a mass exodus took place from the ranks of the *Frente* and by 3 July it had dissolved. The hope of the Government was that these restrictions would force the *peronistas* eventually to return to their pre-1961 tradition of abstentionism through blank ballots, and that the votes of those not abstaining would be further split between the two Radical parties (UCRI and UCRP) and the provincial neo-*peronista* parties.

The government strategy proved successful, though the election mandate was tarnished. In the presidential elections, Dr Arturo Illia received 25 per cent of the vote as the UCRP candidate, and 169 out of a total of 476 electoral votes. He fell far short of half the electoral vote, however, and needed the support of other parties in the electoral college.[4] The

[3] As a result of this action Raul Matera resigned as head of the central *peronista* organization, the Superior Coordinating Council of the *Movimiento Justicialista*. The *Unión Popular* protested. After several claims, appeals, and contradictory court decisions, the Supreme Court ruled that the official *peronista* party could not stand for any national or provincial executive offices.

[4] He received the support of the Conservatives, the Christian Democrats, the Democratic Socialists, and the neo-*peronistas*.

UCRI, with Oscar Alende as its candidate,[5] gained 16 per cent of the vote, and former provisional President Pedro Aramburu's *Unión del Pueblo Argentino* (UDELPA) 14 per cent. All other parties received minuscule representation. The *peronista* vote was split, with 19 per cent of the population voting blank and 4 per cent voting for neo-*peronista* parties in the provinces.

The UCRP remained the most consistent party, gaining 25 per cent of the vote in both the Congressional and presidential elections; it has achieved this percentage in every major election since its split with the UCRI in 1956. Non-aligned as it is, it has proved the most national and popular of the Argentine parties, though it has never reached the exalted 'temporary' majorities of the UCRI and the *peronistas*. The *peronista* vote in 1963 was less than in previous years, but if the blank vote of 17 per cent (for Congressional candidates) is added to the 7 per cent for provincial neo-*peronista* candidates, a respectable 24 per cent of the votes actually cast is arrived at.

The conclusion to be drawn from the 1963 election and its aftermath in 1964 was that the military had a more defined and unified policy than the *peronistas*, who found themselves electorally divided, uncertain, and surprisingly ruffled. An important additional factor remains—that almost 20 per cent of the 11 million Argentinians, eligible and required to vote, abstained.[6] A case can be made that a good part of this huge potential vote of 2 million would have gone to the *peronistas* if their leadership had been more positive in its election campaign and less hampered by government restrictions. Only two days before the election, on 5 July, the *peronistas* were directed to vote 'blank'; it could well be that this late change in their position from one supporting the *Frente Nacional y Popular* so confused a considerable number of voters that they abstained altogether. This was the first election since 1946 in which the *peronistas* did not, through their own party, by blank voting, or by combining with the UCRI, emerge as the leading political party. Another feature of the 1963 election was the growing division in the *peronista* movement. The official line, originating in Madrid, called for blank votes, but a total of over 600,000 disobeyed and voted for neo-*peronista* parties.[7]

The 1963 elections were the first national elections in half a century to be held under a proportional representation scheme (the Belgian D'Hont

[5] Frondizi himself was in captivity at a distant ski resort, San Carlos de Bariloche, where he was kept until after the election. The Frondizi faction had lost legal control of the UCRI to the Alende forces, who had never supported the *Frente* and who ran non-aligned in the elections.

[6] This excludes, of course, the almost 2 million presidential votes in the blank column favouring *peronismo*, blank voting being a kind of protest in the form of official abstentionism.

[7] Prior to the March 1965 elections, the neo-*peronistas* occupied 2 governorships (9 per cent) and 16 deputy (8 per cent) and 9 Senate (20 per cent) seats, a very sizeable minority position.

system). With the repeal of the Saenz Peña Law, which virtually assured practical control of Congress by two parties, 17 parties won representation in the 1963 election. No majority party was elected; the UCRP was the 'first minority' party, followed by the UCRI and Aramburu's UDELPA.

Illia's success would seem to have been due to his intensive election campaign and to the consistent and unswerving platform of the UCRP, its image that of a party which refused all coalitions and extra-party commitments. No other major party showed such cohesiveness and thorough organization. The Communist Party was not allowed to participate in the elections. The *peronistas* remained confused and harassed right up to the time of the election, dividing their votes between abstentionism and blank voting on the one hand and neo-*peronista* support on the other. The UCRI was badly split between the blank-voting, Frondizi-backed *Frente Nacional y Popular* and the faction supporting the presidential candidate Oscar Alende. The Christian Democrats, after leaving the *Frente*, suffered a crisis of leadership when their adopted *peronista* presidential candidate, Raul Matera, had to be replaced by their original candidate, Horacio Sueldo, just forty-eight hours before the election. The *Frente* naturally dissolved as Perón, Frondizi, Matera, and Solano Lima (the *Frente* candidate) all called for blank votes. Pedro Aramburu and his UDELPA party were feared and distrusted by several parties and much of the population because of the acts of repression undertaken by Aramburu's Provisional Government of 1955–8. The other smaller parties were never in the running for the presidency or for sizeable majorities in Congress.

Political issues 1963–5

With the assumption of power by the UCRP in late 1963, governmental patronage, the role of *peronismo*, the petroleum question, and the general state of the economy became the leading political issues. The UCRP made no effort to establish a *modus vivendi* with the UCRI or any other major party and filled almost all the top political and diplomatic positions with its own people. In varying degrees, therefore, several of the Opposition parties have centred their attacks on the augmentation of an already large bureaucracy and on the highly political implications of government appointments and socio-economic decisions.

The *peronista* problem has abated considerably during Illia's first eighteen months in office. The Government has taken some pride in the initial integration of nearly a score of neo-*peronistas* in the Chamber of Deputies. At the same time the military has remained subordinate, though always watchful. The behaviour of the neo-*peronistas* in Congress has also dispelled many illusions as to their irresponsibility; in fact, there was a notable concurrence between the UCRP and some of the neo-*peronistas*

in the last Congressional session, particularly in the debates on the nullification of the petroleum contracts with foreign companies and on the need for the use of additional Central Bank funds to fulfil government salary obligations and certain development projects.

The UCRP has been severely criticized for cancelling the foreign oil contracts. Pending renegotiation of new contracts, which the Government is now quietly undertaking, *Yacimientos Petrolíferos Fiscales* (YPF), the Argentine Petroleum Corporation, has not been able to take up the slack in production which occurred with the withdrawal of foreign capital and technicians. Economic experts now generally agree that it is cheaper to locate and commercialize oil through foreign contracts than by direct importation, and the increased petroleum imports resulting from the cancellation of the foreign contracts have acted as a severe drain on the national budget. Even many UCRP members admit that the annulments were based on nationalist campaign promises and moral–legal considerations regarding the 'improper' manner in which the Frondizi Government negotiated the contracts rather than on purely economic reasoning. At present, with industrial and consumer demand for petroleum rising rapidly (6 per cent annually), YPF production (3·8 per cent) is falling short. Petroleum imports, as a percentage of production, had fallen to 7 per cent by 1963; but by 1964 they had risen to about 20 per cent and promise to increase. The Government continues, however, to argue that YPF will shortly produce 100 per cent of oil requirements, though the peak figure of 65 per cent was reached in 1963 and fell to 60 per cent by the autumn of 1964. This drop in YPF's share of total production has burdened the UCRP Government by necessitating the import of $55 m. worth of oil in 1964 and the possibility of $150 m. worth in 1965.

The budget deficit aggravated by these policies has deepened the financial crisis within the troubled National Railway System which acts as the biggest drain on the Treasury. The UCRP has resorted to inflationary financing which has brought the peso's free value down from 170 pesos to the U.S. dollar in December 1964 to about 225 to the U.S. dollar in March 1965. Meanwhile, the Government has unrealistically maintained the official rate at 150 to the dollar, and this has had a substantial effect on Argentine exporters. A natural consequence of the decreasing export trade has been the Government's imposition, aside from import taxes, of 100 per cent deposit requirements on imported goods which often remain frozen at the customs house for periods of over six months; of late this has resulted in retaliatory measures by other Latin American nations.

The UCRP centred its 1965 electoral platform on two basic achievements—domestic peace, namely the absence of military interventions, state-of-siege conditions, or popular general strikes,[8] and advances in

[8] When Perón's abortive return via Brazil became public knowledge, the *Confederación General del Trabajo* staged a two-day general strike on 17 and 18 De-

political democracy as evidenced by the right of the *Unión Popular* and many neo-*peronista* parties to participate in the election and the absence of political and labour prisoners. Moreover, on the economic side, the UCRP achieved in 1964 the highest figure in recent years for wheat and beef exports, passed a 'supply law' which attempted to regulate the production and supply of essential commodities and maintain them at reasonable prices, and countered supply curbs, price fixing, and speculation. A minimum-wage law was also adopted.

As a basically centre party, the UCRP has been criticized by both the conservative- and socialist-oriented sectors of the political spectrum. Among the main parties, the agrarian-based *Federación National de Partidos del Centro* (FNPC) focused its attack on the inability of the middle class to invest and save under chronic inflationary conditions. As an essentially insular confederation of provincial parties, its position is staunchly anti-*peronista* and anti-governmental control of economic functions.

Aramburu's UDELPA party is on the whole a conservative personalist movement based on general principles of 'national unity' and 'good will'; reminiscent of the Gaullist Union in France, it purports to be above party warfare. It has focused recently on two economic questions: the need to dissolve the present 'law of professional association' which allows only one union to represent each industry at the bargaining table, and secondly, its desire for a dismantling of the national railway and petroleum monopolies and their return to private capital.

The split at the time of the 1963 elections between former President Frondizi and the UCRI, which Frondizi himself founded, resulted in 1964 in the creation of the *Movimiento de Integración y Desarrollo* (MID), which with its new, more flexible approach attracted many UCRI deputies and supporters prior to the 1965 election. The fact that Alende had secured 16 per cent of the vote in 1963, whereas Frondizi (with Perón *et al.*) had advocated abstentionism, unquestionably established Alende as leader of the UCRI, but the MID's immediate popularity was a distinct blow to his political future and that of the UCRI. Frondizi's MID represents a pragmatic, developmental-conscious party with the most defined platform as regards remedies for Argentina's economic ills: this is based on the need to bring in and encourage heavy industry and to set up economic conditions that will attract foreign governmental and private capital. Frondizi complements this with a call for a reduction of the UCRP's economic, foreign trade, and fiscal controls which he feels are suffocating the economy. Lastly, the MID has advocated the rationalization of the various government enterprises and the consequent reduction of the bureaucracy.

Alende's UCRI party based its appeal less in the economic and more

cember last year. The response was less than 50 per cent successful, one of the worst examples of *peronista*–worker solidarity in a decade.

in the political sector, as the party able to unite classes, heal party wounds, and govern with a minimum of antagonism *vis-à-vis* the *peronista* movement. Similarly in the centre of the political spectrum are the *Partido Demócrata Progresista* (PDP) of Horacio Thedy and the *Partido Socialista Democratico* (PSD) of Américo Ghioldi. The PDP, a supporter of UDELPA in 1963, ran a very personalist campaign in 1965 based on the popularity of its leader. The PSD, the most moralistic and doctrinally anti-*peronista* of all the parties, has gradually shifted its platform to a more conservative one since its split from the Argentine Socialists (PSA) in 1958. Far from re-establishing its base among the workers after Perón's demise, the PSD supported their 'punishment' and scolded them for their 'immoral' defections from international socialism.

The PSA is a relative 'outsider' in the political arena, representing a strongly radical programme of the Left. It stands for such revolutionary changes as the workers' participatory management of the means of production, a complete 'parcelization' of all large estates, the legalization of divorce, heavy punishment for tax fraud and evasion, nationalization of the banking system, reduction of the military budget and of military service to three months, a State monopoly of foreign trade, and other views with which the majority of parties (including the *peronistas*) have little in common.

The *Partido Demócrata Cristiano* (PDC) falls into the category of a *peronista*-phil Christian party whose ideological position rests between the 'twin evils' of capitalism and Marxism. It is a community-oriented party whose programme is based on the organization of all sectors of society in order to avoid social atomization. Its programme abounds in the theoretical mental exercises required for a totally new society of emancipated men, yet it lacks the popular following of the *peronistas* and the consistency of the PSA. Though perhaps the most eloquent and messianic of all the parties, it lacks the decisiveness and organization of more mature political groups.

The peronista–Radical alternative

It is likely that Perón's attempted return to Argentina at the beginning of last December was an endeavour to perpetuate his myth. Having asserted that 1964 was the year of his return, he may have felt the need at least to give evidence of good faith, but it is difficult to see how he could really have believed he could have flown into Argentina on Iberia Airlines without detection; and indeed he may have banked on the failure of the operation.

His failure was probably a relief to numerous neo-*peronista* leaders who are trying to carve a political future for themselves. Their programme calls for Perón to be in far-away Madrid while they themselves adopt more realistic programmes of social reform, at the same time continuing

to pay homage to the leader of their movement. Before the 1965 Congressional elections, the *peronista* movement had already shown signs of an increasing neo-*peronista* tendency to which Perón himself gave credence in the 1962 elections by supporting the most *peronista*-oriented of all the neo-*peronista* parties, the *Unión Popular*. By 1963, the other neo-*peronistas* had achieved a momentum of their own, which resulted in disobedience to Perón's call for blank votes and the launching of a new-fledged neo-*peronista* representation in Congress, which has appeared willing to accept democratic norms and to play down, though not to discard, the necessity of Perón's return to Argentina. Privately, perhaps, many feel Perón's return would upset their own new-found positions of legality and strength; publicly, however, it is still necessary to praise Perón.

Meanwhile, the 'hard-line', urban-centred, syndicalist *peronistas* advocated abstentionism right up to the March 1965 elections. The *Unión Popular*, which since 1962 has grown increasingly *peronista*, became by 1965 the recognized *peronista* party in the country, while the neo-*peronistas* were centred in such groupings as the *Tres Banderas*, *Partido de Justicia Social*, *Partido Laborista*, and *Partido Blanco*. The *Unión Popular*, though the recognized representative of Perón in Argentina, was legalized for the March elections and ran in opposition to several neo-*peronista* groupings around the country.[*]

The March elections, for 99 seats in the Chamber of Deputies, demonstrated a polarization of voting unknown since the days of the Perón and anti-Perón vote of 1946–55. The figures show support of the UCRP as the only alternative to a huge *peronista* vote. Each party benefited from the presence of the other, although in ideology they are not polar opposites. The *Unión Popular* received 31 per cent of the vote—its most outstanding popular support since the days of the Perón dictatorship. Its most notable achievement occurred in the two most heavily populated provinces, Buenos Aires and Córdoba. The neo-*peronistas* received 7 per cent of the vote (as they did in 1963); thus the combined *peronista*–neo-*peronista* vote reached about 38 per cent of the total. The governing UCRP received 30 per cent as opposed to 25 per cent in 1963, and Frondizi's MID 7 per cent. All other parties (including the UCRI) achieved new low levels of under 5 per cent each.

Owing to the *de facto* Government's rupture of legal processes in 1962, the Chamber of Deputies elected in 1963 had drawn lots to determine which half of the Chamber had a four-year and which had a two-year term of office; hereafter all deputies will receive the constitutionally guaranteed four years. Thus the UCRP, with 37 deputies contesting, won 35 seats to reduce its 72-member bloc to 70. It is, however, still clearly

[*] The *Partido Justicialista* (the name of Perón's movement), which has continually attempted to co-ordinate all *peronista*-oriented parties, has failed to be recognized by any post-Perón Government, including that of Illia.

the leading faction in Congress since it controls 25 out of 46 seats in the Senate, which did not feature in this election. The *peronista Unión Popular* leapt from no representation to a 36-member bloc. The neo-*peronistas*, who had 8 deputies remaining, won 8 new seats, thereby maintaining their 16 deputies. Thus the *peronista*–Radical vote represents close to 70 per cent of the strength of the lower house, with 122 out of the 192 members. The only other party to have a sizeable number of deputies is MID with 15. Aramburu's UDELPA and Alende's UCRI suffered severe losses, and the smaller parties were even further emasculated.

Thus, despite proportional representation, a considerable step has been taken towards a bi-party system, with perhaps a third force mobilizing on the conservative side. There was a noticeable consolidation of the parties of the Left and the protest, anti-government votes into the ranks of the *peronistas*. On the other hand, the UCRP managed to gain votes from the decline of the centre and traditional parties, many of the latter voting for the Government merely out of fear of the *peronistas* making too strong a come-back. For many voters it was a question of voting against the Government or against the *peronistas*; the major parties fostered these anxieties, and the electorate was therefore hesitant to 'waste' votes on other parties. Several multi-party provinces for the first time became two-party in orientation and the confrontation was usually between the UCRP and the *peronistas* or neo-*peronistas*. One of the big surprises of the election was the victory of the *peronistas* in Córdoba, the traditionally UCRP province of President Illia.

In general, a fairly clear picture emerges. In the urban areas UCRI voters on the whole made a remarkably consistent switch to MID. Thus Frondizi remains the inheritor of the bulk of the old *Radicales Intransigentes* of 1958–62. UDELPA, the *Demócrata Progresistas*, and the *Socialista Democraticos* moved into the UCRP column. On the other hand, many of the Christian Democrats, *Socialista Argentinos*, and, of course, nearly all the formerly blank votes went to the *peronistas*. The neo-*peronistas* also received some support from the blank votes. There is therefore a growing competition among the *peronistas* and neo-*peronistas*, particularly in the rural areas. In fact, in the province of San Juan the neo-*peronistas* made slight gains probably at the expense of the *peronistas*. The Conservatives (FNPC) withstood the Radical–*peronista* onslaught and maintained their small but loyal following, absorbing UDELPA votes in their stronghold, the wine-producing province of Mendoza.

Prospects for the future

With the *peronista* advance to the second largest bloc in the new Parliament, several problems present themselves. The basic question is whether they will serve responsibly in Congress or become a legislative bloc geared towards obstructionism and rebellion, complemented by demands for

Perón's return. The integration of the neo-*peronistas* during the Congressional sessions of 1963–5 was effective and conscientious on both sides. The new labour, urban, *peronista* deputies may be in less of a mood for compromise after their astounding electoral success. On the other hand, they might be sobered by the sheer fact of entering Parliament to the point of participating as a loyal Opposition. The *peronistas* are also aware that over 60 per cent of the population is obviously not pro-*peronista* and that they are therefore no more than one of several factions. Also, as an ultimate manœuvre the Government can still call upon the military at any time in its attempts to 'pacify' the *peronista* faction.

Perón's continuing promises or threats to return contribute to keeping the political scene on edge, but the victory of *peronismo* in the 1965 election may have spelled the eventual demise of his active control of the movement. As long as the *peronistas* were an out-group, he could identify himself with them as their exiled leader, but with their Congressional representation his martyrdom may seem more out of touch with reality. If the *peronista* deputies decide to act irresponsibly, then the Argentine working class will have ample cause to re-examine its long-standing political loyalties. Also, in subsequent elections there will be *peronista* deeds as well as words to judge. Perhaps in the next two years, with *peronismo* allowed a legal voice, the country may be able to turn its attention to the more pressing problems of economic development, political socialization, and the general improvement of social conditions.

At any rate, *peronista* hopes have been greatly enhanced by the 1965 elections, and if their present success is any indication of the future they stand a good chance of capturing the major governorships, as well as adding to their Congressional strength, in the 1967 elections. This eventuality may lead to one of several possibilities. Obviously, it might precipitate military intervention, thus continuing the well-known cycle. There is also the chance that this election may be the first step, culminating in the victory of their presidential candidate in 1969, in the return to power of the *peronistas* via legal channels. Or, as a compromise solution, the military may launch itself into the political arena by creating a new national movement based on *peronista* policies, which would provide the *peronistas* with the *sine qua non* of political representation.

The security of India

ALASTAIR BUCHAN

INDIA today is a troubled country, or, to be more accurate, the small élite minority in India who are concerned with politics and world affairs are troubled and anxious. They do not believe that their country is breaking up, as some of the gloomier Western reporting would suggest, or that its territorial security is immediately endangered: still less that any form of dictatorship is imminent. Rather they feel that this giant of a country is stalled, that the cracks in national unity and purpose over which Nehru so skilfully papered the sketch of a new age are growing deeper, that the Indian voice in world affairs is steadily losing its authority, and that the long-term security and independence of the country may be in danger. In this situation, it is not at all surprising that Indians should be debating whether they should exercise the option, which Nehru bequeathed to them, of becoming a nuclear Power, a path which several other countries have insisted leads to national unity, national security, and international prestige.

India's internal problems have been fully advertised of late.[1] The third Economic Plan has produced reasonably good results in the industrial sector but poor results in agriculture, and it is doubtful if there exists the administrative infrastructure to make steady economic growth possible. The necessity to have a serious defence programme, now absorbing about 5½ per cent of the gross national product, has imposed an additional strain. The division of the country has been manifested by the Government's gratuitous failure to avoid a row over the introduction of Hindi as a national language. And as the political centre of gravity swings slowly towards the Right, there is increasing discontent with the very high level of taxation and the poor rewards of the salaried classes.

But in many ways it is the external problems which are the most disquieting. Few people in Delhi believe that any Chinese attack in the Himalayas is likely in the near future, though there are also few who believe that India is likely to recover those areas in the lunar landscape of the Himalayas which are now under *de facto* Chinese control, and certainly not the Aksai Chin road in Ladakh. However, there are over

[1] See 'India's crisis of confidence' by D. K. Rangnekar, in *The World Today*, February 1965.

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120,000 Chinese soldiers in Tibet, and with the steady improvement in both the lateral and the north–south roads there, the possibility of some fresh *coup de main* in the defile between Bhutan and Sikkim or in the eastern NEFA cannot be ruled out. Hence the necessity to raise and equip an 800,000-man regular army, which has to be deployed in positions of depressing isolation and supplied with the greatest expense and difficulty—a task that gives it a very different relationship to national morale and purpose from, say, the disciplined citizen force of Israel or the massed cohorts of Egypt.

It is, however, the broader politico-strategic problem of confronting China which is the real source of malaise. There is widespread recognition of the fact that India has spent too many of the post-war years trying to mind other people's business with the result that a clear concept of her national interests has not emerged, and as a consequence she has become unnecessarily isolated in Asia. Facing her is a much stronger Power, China, which, if she cannot defeat India by territorial conquest, can surround her with hostile States, impede her development by enforcing a high level of defence expenditure, and continuously exacerbate her internal tensions. To the west, Indians see a steady increase in Chinese influence in Africa and no comparable increase of Indian influence; to the north-west, an actively Sinophil Pakistan; to the south, an increase of Chinese activity in Ceylon, to add fuel to the dispute about the future of the Tamil population; to the north, a gradually deteriorating relationship with Nepal and the probability of trouble in Bhutan, if not in Sikkim; to the north-east, the beginnings of serious Chinese activity in North Burma and the eviction of the Indian population from Burma; to the south-east, the collapse of the American position in Vietnam and, above all, the emergence of an avowedly hostile and irredentist Indonesia with the power to humiliate India still further by threatening Indian territory (the Nicobar islands) only twenty miles from the Indonesian coast. The Japanese tend to despise India for her economic backwardness, and Thailand and the Philippines are alienated by her previous hostility to SEATO. Her only genuine friends in the Afro-Asian world are Malaysia and the United Arab Republic.

On top of this came the explosion of a Chinese nuclear device last October, and the revelation that it probably represents a considerably more advanced nuclear weapons industry than anyone in the West had guessed, or indeed anyone in the world apart from those few Russians responsible for laying the foundations of a Chinese gaseous diffusion plant and missile industry before Soviet aid was withdrawn in 1960.[2] Again this does not pose an immediate threat to India. But equally it does not take much imagination to envisage a situation of diplomatic tension between the two countries in, say, seven years' time, when China has a

[2] See 'China's bomb' by John Gittings, in *The World Today*, December 1964.

missile of 2,500-mile range, and when a threat to a dozen crowded Indian cities might force some diplomatic humiliation on India that would be far harder to accept than the reverses of 1962. More than that, the Chinese bomb is an Asian bomb, and India's hope of posing as the liberal alternative to China in Asia is jeopardized if she cannot prove that she is not only as technologically advanced but also as determined a nation.

Now it can be argued that this picture is overdrawn. China after all is not only India's potential adversary, but also the adversary of the two most powerful States the world has ever seen. Though India's standing in Asia may be low today, her integrity and prosperity are basic interests not only of the Soviet Union and the United States, but also of Europe and all the countries of the world which do not want to see a Chinese-dominated Asia. In addition, she has the active support of the older Commonwealth countries, and their increased assistance since 1962 has certainly led to warmer relations between them and India than have existed at any time since independence.

But although the degree of external interest lightens to some extent the gloom of the Asian scene, it cannot settle the internal debate.

Relations with the Great Powers

First let us consider India's relationship to the Great Powers. Many senior Indians acknowledge that, at the present stage of the international balance, their ultimate security is assured by the fact that neither the United States nor the Soviet Union could afford to let China browbeat or attack India in depth, and that they possess the means to deter China. But Indians are quite well versed in the European-American debate, and they wonder whether the super Powers will have the will and the ability to assure the integrity of India ten or fifteen years hence, when China has the means to do some damage to American and Russian cities.

As regards the United States, they cannot convince themselves that India could be regarded as a vital American interest in the same way that they assume Europe is regarded as a vital American interest. Factors of race and distance compel them to this view. As regards the Soviet Union, whose continued involvement in India's future they consider essential, partly for reasons to do with Pakistan, partly from a desire to be associated with a major anti-colonialist Power, many Indians believe that a Sino-Soviet *rapprochement* is more likely over the long term than a rupture. And in any case India has diminishing importance for the Soviet Union, for she is no longer what she once was—Moscow's window on the uncommitted world.

As for the Commonwealth, while Indians are grateful for the support of its older and richer members, it cannot be regarded as a substitute either for the support of the Great Powers or for indigenous Indian strength. I used to think that a British nuclear guarantee for India might

be more acceptable than any other since it need not involve action by the super Powers, but I found that the British Prime Minister's hints about a British nuclear shield in the Indian Ocean had been greeted with some derision in India, for there is profound scepticism about how long Britain will continue to be a serious military Power east of Suez and a tendency to regard the United States as the only important Western nuclear Power.

But when the question of guarantees is discussed, one comes up against a more fundamental problem. Even if water-tight guarantees from the nuclear Powers could be negotiated, India does not want to be singled out for special treatment, to be a sort of nursling of the Great Powers while China stands on her own feet. 'India must not be dependent on borrowed strength' was a phrase I heard reiterated in government offices and universities. Logically or illogically, the word 'guarantee' resurrects the ghost of the British Raj, and arouses a host of ancient fears among a Hindu population that has been free of foreign rule for only seventeen years out of the past 440. Even viewed as a measure of arms control undertaken jointly perhaps by all the existing nuclear Powers as part of a non-dissemination agreement, the idea of a guarantee still leaves India—a country that may, according to the World Bank estimates, have a population as large as that of China in twenty years' time, and five or ten times that of most middle Powers—on the wrong side of the line. To a people whose security has never been seriously or continuously threatened in modern history, status may be more important.

India's nuclear potential

It is against this background that one must analyse the debate on whether India should become a nuclear Power: for, as in France, it is a debate about India's place in the world as much as about her security. There is no doubt about her technical capability to become one. For about fifteen years, India has been devoting a high percentage of her limited scientific resources to nuclear research, under the direction of the dynamic Dr H. J. Bhabha. Since about 1958 the programme has been shaped in such a way as to make it possible to produce weapons-grade plutonium, and the last stone in the arch was completed when the chemical separation plant went into operation at Trombay last August. There is no reason to doubt Dr Bhabha's claim that India could explode her first nuclear device within twelve months of deciding to do so. Figures have been canvassed in India suggesting that India could build up a stock of fifty 20-kiloton bombs for as little as £18 m.; and this may be near the mark, for much of the capital cost is behind her.

But, of course, this makes no provision for a more effective means of delivery than India's present light bombers. Nor does it reckon with the experience of the other nuclear Powers, especially France, that if a

country embarks on the risks of becoming a nuclear Power it has eventually to go the whole hog of producing thermonuclear weapons, for which a uranium separation process is necessary, and strategic means of delivery as well. The Indians have the beginnings of a missile programme in high altitude meteorological rockets obtained from France, which would be gradually developed into a series of medium- and long-range ground-to-ground rockets. But my estimate of the cost, based on current French figures, is that a serious strategic capability would cost India something in the order of £1,800 m., which, if she tried to achieve it over a six-year period, would imply a 45 per cent increase in her defence budget.

At the moment, the debate is somewhat muted. Mr Shastri has modified the Government's former position that India would never produce nuclear weapons to one of suspended decision 'for the time being', but he has also made it clear that he opposes any rapid decision. Few people have come out unreservedly for an immediate weapons programme, except the Hindu nationalist Jana Sangh party and a small number of people in the Congress party. A public-opinion poll conducted by the *Indian Express* in late November last year showed that the majority of responsible opinion was opposed to any immediate decision.

One must therefore look below the surface to the discussions in government offices, clubs, editorial rooms, and university seminars, where the bomb is one element in a general heart-searching. For, as a percipient American observer has suggested, '. . . the surface placidity of the Indian political scene could be misleading. There is a slow burning change in the public temper going on underneath as the country searches for some compensating source of political identity to fill the void left by the humiliation of 1962 and the departure of a charismatic leader.'[8]

Two schools of thought

And if one probes one readily identifies two schools of thought, in Delhi and elsewhere: let us call them the 'doves' and the 'hawks'. The 'doves' are men who still have great influence in the Congress hierarchy, in the highest ranks of the civil service, among the military leaders, in the press, and, above all, in business. Their arguments can broadly be summarized as follows. India faces a definable threat to her security (which may grow more serious with a Chinese missile capability) and a general challenge to her influence in the Afro-Asian world. This calls for neither despair nor inertia. It does not require formal Great Power guarantees so much as the evolution of an informal consortium of Powers interested in the containment of China. The option on an Indian bomb should by no means be relinquished at this stage, either verbally or technically, but its potential should be used to construct a coalition of what many Indians

[8] Selig Harrison, 'Troubled India and her neighbours', in *Foreign Affairs*, January 1965.

call the Western Powers, that is, the Soviet Union, the United States, Britain, and perhaps France, in order to neutralize any form of Chinese blackmail or strategic threat. This could either take the form of general assurances by the Great Powers to any non-nuclear Powers faced with a nuclear threat, as a central part of a non-dissemination agreement, or it could be provided by informal and private understandings between Delhi, Washington, Moscow, London, and perhaps Paris. Only if there is no sign of Great Power agreement on either dissemination or arms control should India exercise her nuclear option.

The alternative version of this view is that India should make an honest attempt to draw the Soviet Union and the United States together on the subject of South Asian security, but that, if the attempt fails, then India should draw closer to the Western Powers, even if it means closer contingency planning etc. What is called 'bi-alignment' (Russia and the West) may have to be sacrificed to mono-alignment (with the West). This course is advocated by the Swatantra party, and by many people in Bombay and South India. A friend who is editor of an important paper in Madras told me that they had recently published an editorial suggesting that informal alignment with the West might prove the soundest course, and had had a nine-to-one favourable response from readers. But this is, and will remain, a minority view, for the Government would be unwilling to take grave risks with the Russian connection, even though tangible evidence of Soviet support, such as the MiG.21 programme, is disappointing. While acknowledging that the Western Powers are more dependable, it is still regarded as a basic Indian interest to support Russia's claim to be considered as an Asian Power and to involve her as closely as possible in the security and prosperity of India.

Those who believe that India's position and security must involve close relations with the major Powers are ready to acknowledge that external support cannot comprise the whole of a new Indian policy. India must, in addition, have an active Asian policy of her own with the following elements, among others:

(*a*) A close understanding with Japan, Australia, and Malaysia.

(*b*) Further re-equipment of the Indian army and air force, not only to prevent a *coup de main* in the Himalayas (which no nuclear assurances would avert) but also to give them some ability to operate at a distance from India and to be usable as an instrument of foreign policy, for example in the event of a call for help not just from the United Nations but from Burma or Malaysia, or to help guarantee a new settlement in South Vietnam.

(*c*) Stronger assurances to the border States based on increased military mobility, plus encouragement of Bhutan and Sikkim to exert their sovereignty and to become members of the United Nations.

(*d*) An active attempt to persuade overseas Indian communities, in East Africa, Malaysia, Fiji, etc., to invest locally and to play a constructive part in the building of their adopted nations.

The 'doves' are acutely conscious of the limits of Indian power. They suspect that if India became a nuclear Power she would weaken her relations with the Great Powers, that an initial plutonium weapon programme would lead inevitably to a strategic programme which might multiply a hundredfold Dr Bhabha's figure for a bomb programme (especially as the major Chinese cities are nearly 3,000 miles from Indian bases), that it would seriously weaken the country's economy, and that it would bedevil relations with Pakistan past all repair.

The 'hawks' are a much more diverse group. They include many of the younger members of the bureaucracy who are just beginning to have some influence on policy, some of the military planners especially in the air force, many of the scientists, and a high proportion of the younger intellectuals in the universities and the press. Their arguments for an Indian bomb are based on one or more of the following premises:

(*a*) India cannot be regarded as a vital interest of any of the existing nuclear Powers, and therefore Great Power assurances of support in the event of nuclear threats cannot really be relied upon. How could a non-nuclear India force the United States (or the United Kingdom) to act in her interest in a crisis, even if she were to enter an alliance arrangement?

(*b*) If India is to prove an opposite pole of attraction in Asia to China, she must prove that she can match China's advances in science and technology. If desired, this could be demonstrated by a Project Ploughshare type explosion, with the object, say, of building a dam in the Himalayas, rather than a military programme (though this, of course, is also excluded by the nuclear test ban).

(*c*) India is a Great Power by any standard and therefore cannot accept any form of international arrangement which solidifies the status of the old Great Powers (for example by agreeing to limit nuclear weapons to the five permanent members of the Security Council) and excludes her. If there is to be any permanent equation between nuclear weapons and Great Power status, then India must fight for a place at the top—an argument very similar to that of President de Gaulle and Sir Alec Douglas-Home.

(*d*) There is a military requirement for nuclear weapons in Indian hands: namely, in an interdiction role to neutralize the threat from the Tibetan airfields and to be able to block the passes in the event of a new Chinese *démarche* in the Himalayas. This could be done with a stock of fifty 20-KT plutonium bombs in India's existing *Canberra* bombers. There is an impression in India that tactical weapons can be produced cheaply and little appreciation of the

amount of development and testing that would be required to bring them down in weight and size to a point where they could be carried by, for example, IAF *Canberras*. There is also a tendency to under-rate the industrial as contrasted with the scientific problems of a military nuclear weapon programme.

The debate will go on for some time and it is improbable that, short of some new humiliation, a decision will be taken before the 1967 elections. Whether the 'doves' or the 'hawks' win the argument depends, of course, very largely on external circumstances: what diplomatic use China decides to make of her nuclear capability; whether France, and perhaps Britain also, continue to wave nuclear weapons as a status symbol; whether the United States and the Soviet Union succeed in negotiating further arms-control agreements such as a comprehensive test ban, a freeze on new nuclear weapons systems, and a non-dissemination agreement.

But it should be recognized that the Indian debate on the bomb arises partly from internal stresses, the search for a new national identity. If these do generate a new Hindu nationalism under a more militant right-wing leadership than that of today, then technical, economic, and diplomatic arguments may get brushed aside. It would then take an unprecedented amount of co-operation and pressure from the rest of the international community as a whole to dissuade India from going nuclear.

Japan's position as a world Power

G. R. STORRY

In a matter of twenty years, since the end of the Pacific war, Japan has emerged from total ruin and collapse to a position, internationally, that entitles her to be considered one of the four or five Great Powers of the world. This eminence has been attained entirely by successful economic growth. It owes little to diplomatic finesse and nothing at all to national strength expressed in weight or sophistication of armaments.

The Japanese themselves have been very slow, because reluctant, to appreciate the implications of their country's present international standing. They are, in fact, only just beginning to ask themselves seriously two fundamental questions: what role should Japan play in the

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modern world, and what international responsibilities should she assume? Hitherto these questions, when asked, have been approached with a good deal of hesitation. The concept of national power, after all, is generally associated with the exercise, however obliquely, of armed diplomacy; and for the Japanese this revives memories of Imperial Japan before the disaster of 1945. This has been enough to make the subject unattractive. In terms of public opinion, the response to most issues of foreign policy affecting Japan has been governed, to a remarkable extent, by a single emotion, fear—the fear that the issue will drag the Japanese down again into the inferno of war. Thus the feverish concentration on economic goals has been due in part to a psychological compulsion, arising from a refusal to face squarely the question of national security. Ninety years ago the slogan of the infant Meiji State was *fukoku kyohei*, 'a rich nation and a strong army'. Today the slogan could be rephrased as 'a rich nation and a feeble, defensive army'.

But, as a seasoned political thinker argued two years ago, 'now that economic growth has been achieved, Japan is no longer in a position where she must concentrate on economic recovery to the exclusion of other questions, nor can she use it any longer as a pretext for avoiding them.'[1] There have been signs that these 'other questions' are now receiving some attention. The observant Mr George Kennan noticed the phenomenon last year and drew from it the conclusion that the United States should lose no time in making concessions to Japanese *amour-propre*.[2] The U.S. Ambassador to Japan, while in his own country in January this year, underlined in a series of speeches the fact that the Japanese now felt themselves to be on terms of equality with America. Japan was ready, declared Dr Reischauer, to step out 'as a major country'.

When Mr Sato became Prime Minister last November there were predictions on all sides that Japanese foreign policy would acquire a new flavour, becoming more positive, more independent, while remaining in harmony with that of the United States. Premier Ikeda's famous 'low posture'—a characteristically Japanese term for a decidedly bogus diffidence—applied not only to his handling of domestic issues but also to his conduct of foreign affairs. When Sato Eisaku took up the reins, there was a general expectation that things would soon be different. It was believed, for example, that Japan would shortly assume the role of mediator in South East Asia. Diplomatic intervention from Tokyo would be directed to ease the confrontation between Indonesia and Malaysia, and it might also be applied to the situation in Vietnam. Furthermore, it was expected that a stronger line would be taken to-

[1] Royama Masamichi, 'The Japanese Approach to World Affairs', in *Japan Quarterly*, April–June 1962.

[2] G. Kennan, 'Japanese Security and American Policy', in *Foreign Affairs*, October 1964.

wards the Soviet Union on the question of the Southern Kuriles. The Sino-Soviet split appeared indeed to offer a certain room for manœuvre.

These initiatives may still be taken.[3] But six months have now gone by since the Sato Cabinet was formed, and the principal 'independent' diplomatic action taken by the Government so far has been the initial vital step towards a formal and permanent understanding with the Republic of Korea—the agreement on a draft basic treaty. However, if and when the treaty with the R.O.K. is concluded and ratified, in the teeth of opposition from both Socialist parties and from the *Komei-to* (the party of the militant Soka Gakkai movement), it will represent a real triumph for the Sato Government (as well as for the Chung Government in Seoul) and can be taken as emblematic of a new self-assurance in the conduct of Japanese foreign relations. At the same time, the Opposition parties in Tokyo interpret Sato's policy on Korea as evidence not of independence, but of continued subservience to the United States. For Washington has been pressing Japan and the R.O.K. for years to heal the breach that has separated the two nations.

The conservative politicians who have governed Japan, without a break, for nearly a generation have been well aware that it was their home policy, not their handling of external relations, that kept them in power. Premier Ikeda's 'low posture' was tactically both wise and inevitable, considering the storm over the renewal of the Security Pact that overthrew his predecessor in 1960.[4] But the point to note here is that, in spite of all the fuss, the new pact with America was duly ratified. Weeks of demonstrations drove a Prime Minister out of office and cancelled a presidential State visit; but they failed to deflect by one inch the course of Japan's foreign policy. The revised Security Pact was accepted eventually as a *fait accompli* by the mass of the people.

As it was with the Security Pact, so it has been with rearmament. In March 1966 a Five-Year Plan to build up the defence forces will have reached fruition. By that date the ground component, Japan's post-war army, will reach a strength of 180,000 men, equipped with the latest non-nuclear weapons—a strength sufficient, so it is reckoned, to hold out for one month against enemy troops landed in Japan pending succour from the necessary ally, at present the United States. The members of the Ground Self-Defence Force may not possess quite the morale that characterized their fathers, and still more their grandfathers, in the old Imperial army. But at least they are no longer despised as social pariahs. The hatred of all things military, so common ten years ago, has much declined. The defence services now face indifference

[3] An indication of a new diplomatic initiative may be the mission of Mr Kawashima, Vice-President of the ruling Liberal-Democratic party, and other senior politicians to Indonesia to attend the tenth anniversary of the Bandung Conference, 17–19 April.

[4] See 'The Japanese riots' by I. I. Morris, in *The World Today*, July 1960.

rather than hostility; and in some areas the indifference is already benevolent. It could change, within a few years, to something like genuine admiration.

Public opinion in Japan has accepted rearmament at last, and for a number of reasons. It has been demonstrated that rearmament cannot be reversed, that it is really no burden on the national exchequer, and that it has not led, as was feared, to legislation designed to remould Japan, socially as well as politically, into a militant anti-communist partner of the United States. Successive governments in fact made it plain that there was no intention of using the defence forces outside Japan, even for United Nations purposes. Japan refused to send observers to the Lebanon or to muster the smallest token contingent for the Congo. Such calculated passivity has served to allay much popular suspicion and anxiety.

The 'Three Arrows Affair'

Thus the general reaction to what is now known as the 'Three Arrows Affair' has been mild by comparison with what it would have been in the late 1950s. This episode of the 'Three Arrows' warrants some description.

A warrior named Mori Motonari, in the sixteenth century, demonstrated to his three sons a fact familiar enough yet often overlooked—namely that, although one can easily snap a single arrow across one's knee, it is exceedingly difficult to break three arrows tied together to form a bundle. In the spring of 1964 the story of Mori Motonari provided Japanese officers, planning a secret staff study, with an appropriate code name. The study, to which members of the Joint Staff Council and other officers addressed themselves for over three months, was known as the 'Three Arrows Project'—the arrows representing, of course, the three armed services. The study was an indoor exercise, or map drill, designed to prepare the higher staff of the three services for the specific, and not wholly unlikely, international crisis that would arise following a North Korean invasion, supported physically by Communist China, across the 38th Parallel.

A Socialist member of the House of Representatives, Okada Haruo, from Hokkaido, revealed the existence of this secret study in February of this year. The reason why Okada and his party were shocked by 'the Three Arrows' was that the staff study envisaged extremely quick action by the Diet (omitting in many cases deliberations in standing committees) to pass more than seventy laws and ordinances of an emergency nature. Among other things, such legislation would set up central organizations for 'war guidance' and for the elimination of 'revolutionary elements'.

The Government's response to questions and attacks relating to 'the

Three Arrows'—about which, it appears, the Premier himself knew little or nothing—has been to declare that the whole matter is a storm in a tea-bowl, arising out of a perfectly legitimate professional military exercise, based on a purely hypothetical set of circumstances.

The most interesting reaction, however, has been that of the press. By tradition critical of the Government and of conservative policy in general, the Japanese press might have been expected to seize the chance of launching a blistering attack on both the Sato Cabinet and the top brass of the Self-Defence Forces. In fact the press reaction, though critical, has been almost judicious, not to say sententious. The following comment in a leading article is fairly typical:

> In thinking of Japan's security one has to face the inevitable contradictions arising from the war-renouncing Constitution and the Japanese-United States Security Pact. How to reconcile these two apparently opposing realities is the most serious issue with which this country is faced today, especially in the conduct of diplomatic affairs.[8]

The 'Three Arrows' affair seems to have made people thoughtful rather than indignant or alarmed. Certainly it has forced the issue of security into the public gaze; and in the long run it may be of actual service to this Government or its successor.

Gradually, then, a climate of opinion is growing up in Japan favourable to the exercise of national power in a cautious but positive form. The whole question is, of course, still dormant. But in five years' time it may well become acute. For in or around 1970 three developments, of key importance to Japan, can be expected. In the first place, the present Security Pact with America expires in 1970. Secondly, the Japanese estimate that the first Chinese hydrogen bomb will be exploded some time between 1967 and 1970, and that certainly by 1970 China will have an impressive arsenal of short-range missiles capable of carrying nuclear warheads to areas, including Japan, adjacent to the continent. Finally, there is at least a strong possibility that in 1970, or soon afterwards, Japan may have her first Socialist government since 1947. For although the Liberal-Democratic Party continues to win elections, its margin of superiority has declined over the years. Slowly the Socialists improve their position; and Japanese commentators reckon that, if present trends continue, a coalition of the two Socialist parties will win a general election by a narrow but definite majority in 1970 or 1971.

The year 1970, therefore, is one to watch, in the context of Japan's position in the world. Whether the Security Pact will be renewed, in some refurbished form, for the second time may depend on the state of Japan's own armaments. It is very possible that by 1970 Japan will have opted for a position not unlike that of Sweden. Armed neutrality, with a bias in favour of the United States, would be a posture acceptable to a

[8] *Mainichi Daily News*, 22 February 1965.

Socialist government. For there have been many indications that the Socialists, apart from those of the far Left, are reconciled to the need for self defence, and therefore to the existence of the defence services, even though these same Socialists would fight to the last ditch to safeguard the Constitution, including Article 9 (the war-renouncing clause). But a policy that made Japan the Sweden of the Far East would scarcely permit of the maintenance of American bases in the Japanese home islands and would therefore render improbable an extension of the Security Pact on anything resembling its present lines. Okinawa, no doubt, will present a problem of its own. But even a Socialist government in Tokyo might feel obliged to agree to an American military presence in Okinawa, so long as full administrative responsibilities for governing the island were transferred to Japan.

There is no doubt that China's atomic test last October sent a chill of apprehension through Japan. It came just in time to dim the afterglow of the very successful Olympic Games. The Chinese test was responsible in part for the change in public opinion on security, to which reference has been made. Much as the Japanese detest the very thought of nuclear weapons on their soil, there have been a few whispers from right-wing figures in public life that perhaps the time may come when Japan must consider equipping herself with these weapons. This is, of course, a deeply controversial issue, and it would be political suicide for any government in Japan to contemplate a programme of nuclear armament. Nevertheless, the views of those foreign experts—such as General Pierre Gallois of the French air force—who advise Japan to undertake nuclear armament have been given a great deal of publicity. (Yet it is significant that in the situation envisaged by the 'Three Arrows' the Tokyo Government refuses an American request to bring nuclear weapons into Japan.) The effect of further Chinese nuclear tests will be to strengthen support in Japan for a stronger defence structure, but one that will not be tied closely to the United States. It is also conceivable that, as China becomes more powerful, Japan may wish to replace the United States as the principal guarantor of South Korea. But this must be a long-term aim, and one in any case perhaps impossible of attainment.

Japan, then, is today becoming conscious—for the first time since 1945—of her status in terms of national power, diplomatically and even militarily. But little change in her policy is likely until the next decade, when, as we have seen, her position will be both stronger and weaker. In the 1970s Japan, economically and in every other way, will be a tougher, more confident, nation. But objectively her position in East Asia will have become more vulnerable, due to the growth of China's own strength. Japan may then be tempted to discard the alliance with the United States at the very moment when she needs it most.

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Notes of the month

Bourguiba, the Arabs, and Palestine

THE first round of the recent engagement between President Bourguiba of Tunisia and President Nasser of Egypt and his allies petered out in a mutual exchange of insults a week after the representatives of Arab heads of government had met in Cairo to condemn President Bourguiba's proposals for an eventual ending of the Arab-Israeli dispute. On the whole, President Bourguiba had had the best of the exchange. Proposals to expel Tunisia from the Arab League had disappeared amidst the Cairo discussions, and Cairo was forced to break off a personal statement by the leader of the Palestinian Liberation Organization, Ahmed as-Shukairy, on the newly founded and ostensibly independent Voice of Palestine radio, on the grounds that it was 'not in the public interest'. President Bourguiba escaped any censure from the other North African leaders. Morocco remained completely silent. Ben Bella would go no further than to say that he did not share the Tunisian views on this point. The final communiqué issued after the visit of the Lebanese President, Charles Helou, to Cairo noticeably contained no direct condemnation of the Tunisian move; and the Libyan Government's statement of its position equally noticeably omitted any reference to Bourguiba.

The main condemnation thus came predictably from Cairo, Damascus, Baghdad, Amman, and the Arab language press of Beirut. The language of Cairo's condemnations was bitter and strong—but insufficient to conceal President Nasser's own embarrassment. Only shortly before, President Bourguiba's youth journal *Jeune Afrique* had published an interview with Nasser in which he was represented as advancing views not easily distinguishable from those of the Tunisian President. On the principal Arab-Israeli issue at the moment, that of the Jordan waters, Nasser's main mouthpiece in the Cairo press, M. Heikal of *Al Ahram*, had recently been attacking the schemes, previously agreed on at the Arab Summit conference, for the diversion of the Hasbani and Banias headwaters down into the Jordanian-controlled Yarmuk—presumably because, on this project, Nasser's Ba'ath enemies in the Syrian Government had been making all the running. Further, the Egyptian-sponsored scheme for an Arab High Command appeared to have got bogged down in detail, and the proposal that all the Arab armies should standardize their equipment by adopting the Soviet Union as their sole supplier had been politely consigned to the files. Lastly, as the course of the Arab reaction to Bourguiba's speech showed, the Palestinian Liberation Organization and

Shukairy himself were getting drastically out of hand. It was Shukairy not Nasser who proposed Bourguiba's immediate expulsion from the Arab League. Shukairy denounced the resolutions of the representatives of the Arab heads of government as inadequate to the 'gravity' of the Tunisian offence. And his subsequent repression only gave the hated Ba'ath regime in Damascus, which runs its own wing of the Palestinian Liberation Organization to which it has recently handed over a whole batallion of Palestinian *fedayin*, the opportunity to scoff at Egypt and to invite Shukairy to continue his interrupted statement on the Damascus Voice of Palestine programme. Nor can Cairo's two other attempts to re-establish its position—the permitting of a Voice of Palestine attack on Jordan for denying the Palestine Liberation Organization military facilities in Jordan and the publication of an attack on the Maghrib as a whole as being 'secondary in the Arab world', never playing 'a leading role in Arab policy', and containing no capital cities which have 'reached the level of Damascus, Cairo, and Baghdad'—have done President Nasser any good. His position at the moment is by no means strong enough to warrant such gratuitous insults to the remaining Arab States. Finally, in the exchange of demonstrations and counter-demonstrations, the Tunisians inevitably came off better. Not only was the damage on each side about equal. The strength of the Tunisian demonstrations revealed to the Arabs of the Middle East, who are after all old hands in these matters, a degree of Tunisian national support for President Bourguiba, indifference on the Israeli issue, and hostility to Egypt which quite clearly came as a shocking surprise and revelation to them.

It is, however, easier to account for the course taken by the crisis and the reactions of the various Arab States and sections of opinion than it is to account for the form and manner of President Bourguiba's original proposals. It is true that they were by no means as definite as subsequent controversy was to make them appear. In his speech of 22 April to the Tunisian students which gave the initial occasion for the crisis, President Bourguiba was careful to couch the crucial passages in the future indefinite tense; and he specifically said of his proposals for a reversion to the United Nations resolutions of 1948 and the return of the Palestinian refugees that 'all of this cannot be realized in the near future. Israel will not cede an inch of her territory'. Clearly, what gave more offence was his attack on the policies of Israel's neighbours as inefficient, his prophecy that any renewed Arab attacks on Israel would end in stalemate, and his contemptuous dismissal of Egypt's much paraded armaments, rockets, and aircraft as 'scrap iron', 'accumulated at immense cost'. Nor can it have lessened the impact of his proposals that Israel so obligingly rejected them, thus doing precisely what he said she would, putting herself in the wrong with European and American liberal opinion, and earning the pained rebuke of such journals as *The Observer* and the *New York Times*.

(Mr Eshkol's belated attempt to recover lost ground with a proposal, made on 17 May, for Arab-Israeli talks was clearly no more than a gesture designed for the record, its terms being quite unacceptable to any section of Arab political opinion.)

None of this accounts for President Bourguiba's deliberate and gratuitous choice of so delicate and sensitive an issue on which to challenge the Egyptian leadership. It has been suggested that, like the Moroccan Government, he wanted to avoid any further developments in the Bonn–Cairo quarrel on the eve of negotiations with the EEC. An alternative explanation is that he was attempting to manœuvre for a direct breach between the States of the Maghrib and the Middle East. But this seems a strange way to set about it.

In the meantime, there is the meeting of Arab heads of government in Cairo on 24 May and the Arab Summit in Rabat in September. Egypt has said that if Bourguiba is invited to this latter meeting, Nasser will not attend. But Bourguiba has been expelled or has withdrawn from the Arab League before, and it is noticeable that he has not yet been expelled this time although Egypt, Syria, and Iraq have withdrawn their Ambassadors from Tunis. President Bourguiba's hat is still in the ring. And it will be surprising if the last has been heard of his proposals.

D. C. WATT

The tenth SEATO Council Meeting

THE annual ritual of the SEATO Ministerial Council Meeting took place from 3 to 5 May, this year for the first time in London. As usual, it was preceded by talks between the Organization's top military advisers, also meeting in London, for their 22nd conclave.

More perhaps than at any moment in their Organization's history, the SEATO Ministers met together at a time when the greater part of the sprawling SEATO area was troubled by some form of tension, conflict, or war. Vietnam, of course, was the main area of trouble. In the ten weeks or so before this May meeting, Vietcong activities had increased in South Vietnam as reinforcements of arms and trained battalions from North Vietnam filtered through, mostly through Laotian territory; while, since February, the United States had maintained air attacks on military targets in North Vietnam, as well as in Laos and South Vietnam itself—even though the latest of the swift succession of governments in Saigon was showing somewhat better prospects than its predecessors of being able to stay in office. The Government of Thailand was deeply worried about the increase of subversion within the north-east provinces of the country and by the recent formation of the Thailand Patriotic Front with apparent support from Peking.[1] In neighbouring Cambodia, Prince

[1] See final communiqué of the SEATO Meeting, Para. 16, which drew attention to these trends.

Sihanouk, though he had long since repudiated the original 1954 offer of SEATO umbrella protection (preferring instead, as he said, to run the risk of Communist rain),continued with somewhat uncertain persistence to seek for a neutralized status for his country. If this project were ever to be realized, it would need the support of most, if not all, of the SEATO Powers; and here the traditional and persisting rivalries between the Khmer, Annamite, and Thai peoples would not help. Indonesia's confrontation of Malaysia continued, with no real signs that this situation, which had so deeply embroiled Britain (and also Australia and New Zealand), was about to change. Equally, there was no sign that Malaysia wished to join SEATO or to invoke its assistance, apart from the aid the individual SEATO Powers might offer. The Philippines, always advocates of a strong SEATO, had become quite disillusioned about the prospects of genuine co-operation with Indonesia. The Sabah claim remained, neither shelved nor settled. India and Pakistan were still at loggerheads over Kashmir, and were now arguing militantly about the ownership of the sandy wastes of the Rann of Kutch.

If ever SEATO was to spring into some form of concerted action, this seemed to be the prompting occasion. But nothing so dramatic and unprecedented took place (the movement of U.S. troops into Thailand in 1962, with token support forces from Australia, New Zealand, and Great Britain, provides the only minor qualification). The members merely exchanged viewpoints and offered advice to each other. That was all. And so the Military Advisers' conference provided an apt curtain-raiser to the Ministerial meeting.

Much of the time of these high-ranking servicemen was spent, apparently, in producing an anodyne final communiqué, designed to convey the transparent pretence that the alliance was operating energetically. In fact, after ten years of existence SEATO still is a military alliance without a common pool of military power. In military terms it is little more than an alliance between the United States and Thailand. There is no common command structure and no troops are permanently earmarked for SEATO purposes. Military exercises are held two or three times a year; these are almost inevitably joint naval or sea–air reinforcement and mobility manœuvres. Ground troop exercises are limited by the fact that the territories of the Asian members are so geographically dispersed, and there are also political inhibitions in the way of large-scale ground operations. In the event, the Military Advisers announced that their next operation—Exercise Seahorse—would be held in the South China Seas in mid-May; what their communiqué did not reveal was that neither France nor Pakistan would be taking part in this 30th SEATO Military Exercise.

Similarly, the final communiqué of the Ministerial meeting (plus perhaps the public speeches of the delegates at the opening session) provided

the only public sign of what the conference had been about. But it is doubtful if much was thereby concealed. After all, a lot of the available time was spent in drafting the final document.

The lengthiest specific part of the final communiqué comprised eight paragraphs (out of a total of twenty-eight) on Vietnam. Praise and sympathy were offered to the Government and people of South Vietnam. The Saigon Government was represented at the Council Meeting by its Ambassador in London, who was accorded observer status and invited to address the delegates in closed session. The rest of the passages on Vietnam endorsed the U.S. position and concluded that 'until the Communist aggression is brought to an end, resolute defensive action would be continued'. This meant, in effect, that the military roles and burdens would be continued much as before, except that Australia would send a small fighting force to South Vietnam (as had been announced earlier) and New Zealand might do likewise. The communiqué also expressed concern about events in Laos—but made no positive proposals. In response to Thailand's plea about subversion, there was an expression of determination 'to do whatever is necessary to assist'. No specific plans were divulged. Presumably, the Thais will mainly rely on themselves and on the United States, as they have done at least since 1954. On Malaysia, the Council hoped that 'an honourable and secure settlement would be arrived at on a basis acceptable to the Asian nations concerned'. One report said that in fact only Australia, New Zealand, and the United States strongly approved of Britain's support for Malaysia, and that Pakistan, the Philippines, and Thailand remained aloof. No mention was made of tensions between India and Pakistan, nor of Cambodia's quest for a permanently guaranteed neutrality. In fact, the communiqué recorded the agreements of only six members; Pakistan and France were, in different ways, dissentients.

Pakistan pointedly took no interest in the current military measures being taken by her allies in Vietnam and in Malaysia, and insisted that her own distinctive position, which consisted of pious suggestions and not of positive proposals, should be accorded public recognition. This demand was duly met, and appropriate paragraphs were inserted, thereby interlarding the final communiqué with an incongruous qualifying commentary. Pakistan's present dissatisfaction, which has mounted over the years, springs from the persistent refusal of her SEATO allies to offer her any support against India, and from her new-found friendship with Communist China and, to some extent, with Indonesia.

France, even more than at the Manila Ministerial meeting of SEATO last year, was already estranged from her partners on the question of how to deal with Communist China and on the conduct of the war in Vietnam. So much so that President de Gaulle decided to send only an observer to this year's Council: the French Ambassador from Bangkok, who took

no part at all in the discussions or in the drafting of the final communiqué. In consequence, France declared herself in no way bound by the final document. There was much conjecture in the press that France was about to leave SEATO; but this may well not be true, for doubtless de Gaulle sees some advantage in maintaining the right to keep at least a listener's role within the alliance.

Both the Pakistani representative and the Secretary-General of SEATO, Konthi Suphamongkhon (who is to be succeeded in July by Lt-Gen. Jesus M. Vargas of the Philippines, who will serve for three years), urged that the Organization should do much more in economic, social, and cultural matters. The final communiqué palely reflected these urgings. But with its limited number of Asian members, and given the existence of other agencies—such as the Colombo Plan, ECAFE, and the putative Asian Development Bank—it is most unlikely that SEATO will henceforth become the most important hot-house for the cultivation of its members' economic, social, and cultural enterprises.

Essentially, SEATO is a military alliance with some trimmings. It has always been a rather feeble alliance. Lately it has proved irrelevant to the problems of the Indian subcontinent, inactive over Vietnam, and uninvolved in the clash between Malaysia and Indonesia. The Organization has not suddenly become weaker; recent events have merely drawn attention to the fact that it has always been weak. But it is unlikely that SEATO will be either strengthened significantly or disbanded in the immediate future. It remains true, as has so often been argued before,[3] that SEATO is a regional pact without real overall responsibility for its treaty area. It merely provides consultative facilities, forums for the exchange of ideas and advice, the opportunity for some military exercises, and a small servicing secretariat. These are not ignoble pursuits; but they do not do much to shape the fate of nations.

PETER LYON

[3] See, e.g., 'The scope for collective security in Southern Asia' by D. E. Kennedy, in *The World Today*, October 1964.

The OAS and the Dominican crisis

GORDON CONNELL-SMITH

On 28 April 1965, following a revolt against the ruling junta in Santo Domingo, and without prior reference to the Organization of American States,[1] detachments of U.S. marines were sent into the Dominican Republic. This was the first time the United States had taken such action since Franklin Roosevelt launched the Good Neighbour policy in 1933. Moreover, it was in clear violation of the OAS charter which declares that the territory of an American State 'may not be the object, even temporarily, of military occupation or of other measures of force taken by another State, directly or indirectly, on any grounds whatever' (Article 17). The only exception lies in 'measures adopted for the maintenance of peace and security *in accordance with existing treaties*' (Article 19, author's italics). U.S. intervention has thus been a severe blow to the inter-American system which, only two weeks earlier, had celebrated seventy-five years of 'peace and progress'.

Yet the United States sets some store by the inter-American system. She brought it into existence in the late 1880s and very largely finances its activities. Her self-image requires that relations with her weaker neighbours should appear different from those traditionally existing between Great and small Powers—and, of course, those between the Soviet Union and *her* neighbours. The OAS is, theoretically, an association of equals, based on the principle of one nation one vote, with no member enjoying a power of veto. It has been said that in her relations with Latin America 'Pan-Americanism was the choice of the United States rather than imperialism'.[2]

This self-image is an extremely important factor in U.S. foreign policy. It is closely linked with what George Kennan has called her 'legalistic-moralistic approach' to international problems. The United States has sought from the inter-American system 'the legitimacy of

[1] The OAS is the central organization of the network of principles, agreements, and institutions which form the inter-American system. For a brief description see the present writer's 'The Organization of American States', in *The World Today*, October 1960.

[2] Joseph Byrne Lockey, *Essays in Pan-Americanism* (Berkeley, University of California Press, 1939), p. 158.

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multilateralism', or, to put it more simply, an OAS label for her hemispheric policies. Such was the OAS Council resolution of 23 October 1962 calling for the dismantling of the Soviet missiles in Cuba and authorizing whatever measures might be needed to secure their withdrawal. President Kennedy's proclamation of a naval 'quarantine' of the island cited this resolution, and such legal case as the United States could advance to justify her measures of 'anticipatory self-defence' referred to the Inter-American Treaty of Reciprocal Assistance signed in Rio de Janeiro in 1947. The U.S. representative in the U.N. General Assembly declared his country had a 'mandate' from the OAS to protect the Western hemisphere.

Again, since the OAS is described in its charter as 'within the United Nations . . . a regional agency', the United States has been able to claim that hemispheric questions should be dealt with by the inter-American body. Although she has not been entirely successful in preventing Latin American countries in dispute with her from appealing to the United Nations, her great influence has made the OAS virtually autonomous in the field of international peace and security in the region. Sanctions under the Rio treaty have been imposed upon the Dominican Republic (in 1960) and Cuba (in 1962 and 1964), the United States contending that measures short of armed action do not constitute 'enforcement action' requiring authorization by the U.N. Security Council. At the Ninth Meeting of Consultation of American Foreign Ministers (July 1964) the Cuban Government was threatened with 'armed force' should it 'persist in carrying out acts that possess characteristics of aggression'. Article 51 of the U.N. Charter permits such action only against armed attack.

But the basic reason for U.S. sponsorship and continuing support of the inter-American system has been to secure hemispheric acceptance of her own national policy of excluding from Latin America extra-continental influence inimical to her own interests. This has been of increased importance since growing commitments in other regions of the world have made it difficult for her to justify the Monroe Doctrine, which in any case has never been popular with her southern neighbours. The existence of the inter-American system has made it possible for the United States to claim that her own undertakings in other continents give no cause for other Powers to intervene in the Western hemisphere. Such intervention would be not merely against her, but against all the American republics, who share a community of interests. Since the challenge from international communism poses the most serious threat ever offered to her interests in Latin America, the United States has seen the OAS in recent years primarily as an instrument to assist her in combating this challenge.

It has not proved an entirely satisfactory instrument, however. Many Latin Americans have not accepted the U.S. position on the cold war,

and reject the idea of the OAS as an anti-communist alliance. Indeed, they look to the inter-American system to impose restraint upon their powerful neighbour: to maintain the principle of non-intervention. Latin Americans believe, not without justification, that the United States tends to view any movement for substantial social reform as communist-inspired, and they are extremely reluctant to give OAS support to what would in practice be action by the United States. In spite of all the pressure she has been able to exert, the United States has received only qualified Latin American support in meeting the communist challenge in the hemisphere. So, from time to time, she has taken unilateral action. A pattern of appeal to the OAS and subsequent unilateral action may be observed. It is only against this background that President Johnson's decision to intervene in the Dominican Republic—and Latin American reaction to it—can be evaluated.

First, there was the Guatemalan experience. At the Tenth Inter-American Conference (Caracas, 1954), the United States endeavoured to obtain Latin American agreement to the proposition that:

> . . . the domination or control of the political institutions of any American State by the international communist movement, extending to this hemisphere the political system of an extra-continental power, would constitute a threat to the sovereignty and political independence of the American States, endangering the peace of America, and would call for appropriate action in accordance with existing treaties.

This was, in effect, an endorsement of the Monroe Doctrine, which would be violated by the mere existence of a communist government in the Western hemisphere. The Latin Americans were not prepared to accept this, and most of them supported a modified version only with reluctance and in the face of great pressure; warm support came only from right-wing dictatorships. Argentina and Mexico did not vote for the Caracas anti-communist resolution; Guatemala, against whose Government it was directed, opposed it. The subsequent removal of the Arbenz Government was effected by the Central Intelligence Agency, not by action of the OAS, though the latter's existence was used by the United States to prevent the Security Council acting on Guatemala's complaint to the United Nations.

Cuba presented a much graver challenge to the United States, for Castro eventually aligned himself with the Soviet Union. The Seventh Meeting of Consultation of American Foreign Ministers met at San José, Costa Rica, in August 1960 to consider the question of communist intervention in the hemisphere. But, although the Eisenhower Administration joined in condemning the Trujillo Government of the Dominican Republic for aggression against Venezuela at the immediately preceding Sixth Meeting of Consultation, it failed to secure a specific condemnation of the Cuban Government.

So President Kennedy permitted the CIA to attempt a repetition of its Guatemalan achievement by launching an invasion of Cuba by Cuban exiles: the Bay of Pigs fiasco of April 1961, based upon a sad misappraisal of the situation on the island. Following this bitter set-back, the President warned Latin America that 'if the nations of this hemisphere should fail to meet their commitments against outside Communist penetration—then I want it clearly understood that this Government will not hesitate in meeting its primary obligations, which are to the security of our nation'.

Then, in the following November, occurred an interesting episode—of greater significance in the light of more recent events. Trujillo had been assassinated in the previous May and his heirs overthrown. A threat of further upheaval in the Dominican Republic provided the occasion for a show of force avowedly to discourage an attempt by the Trujillo family to seize power again. Without preliminary reference to the OAS, the United States dispatched eight naval vessels with 1,800 marines on board to cruise three miles off the Dominican coast. The U.S. Government clearly was encouraged by the general absence of Latin American criticism of this action (due doubtless to the unpopularity of the Trujillo regime). It was applauded at home as at last taking a firm line in the Caribbean region; the loudest acclaim came from those hoping it would prove a preliminary to strong measures against Castro. Perhaps the Kennedy Administration was preparing the ground for such measures should an opportunity arise.

At all events, under strong domestic pressure 'to do something about Castro', the U.S. Government took the Cuban issue once more to the OAS. At first it hoped for sanctions against Castro, but it soon became clear that this would not receive the necessary Latin American support. At the Eighth Meeting of Consultation, held at Punta del Este, Uruguay, in January 1962,[3] all members of the OAS (except Cuba) agreed 'that adherence by any member of the Organization of American States to Marxism-Leninism is incompatible with the inter-American system'. But only a bare two-thirds majority supported the exclusion of 'the present Government of Cuba' from the inter-American system. The six which did not do so (and, in fact, had not favoured holding the Meeting) were Argentina, Bolivia, Brazil, Chile, Ecuador, and Mexico. They thus included the most important countries of Latin America and represented more than two-thirds of the total population of the region. Nor did Cuba's exclusion from the OAS noticeably improve the prospects of removing Castro from power: the U.S. objective—however long-term.

In the following October there was the Cuban missile crisis. The U.S. appeal to the OAS and her success in obtaining its support have already

[3] See the present writer's 'The Future of the Organization of American States: Significance of the Punta del Este Conference', in *The World Today*, March 1962.

been noted. Of course, the OAS was faced with a *fait accompli*: the proclaimed determination of the United States to take certain measures and the knowledge that she had already initiated them. The other members of the inter-American system had no significant voice in either the formulation or execution of the decisions taken; they accepted U.S. policy, and the OAS acted, on this occasion, as the 'rubber stamp' its critics have always described it as being. The support of Bolivia, Brazil, and Mexico, however, was qualified; their delegates stated that they did not support an armed invasion of Cuba to accomplish the purposes of the resolution. Moreover, the degree of support the United States obtained was to meet the immediate crisis, not for her general policy towards Castro. This soon became evident when attempts were made to strengthen inter-American machinery for combating subversion. The Latin Americans were more apprehensive of U.S. intervention in their internal affairs.

The death of President Kennedy awakened Latin American fears of a hardening of U.S. policy. In particular, it appeared that the new Administration was less concerned than its predecessor had been over the recent incidence of military *coups* in Latin America. The successor governments generally were more strongly anti-communist than those they had overthrown, and more co-operative with the United States on the Cuban issue. President Johnson seemed to be insensitive to Latin American feelings. For example, he did not conceal his satisfaction with the overthrow of President Goulart of Brazil in April 1964, which was soon followed by the severance of diplomatic relations with Cuba.

When the Ninth Meeting of Consultation met at the Pan-American Union in July to consider Venezuelan charges of aggression and intervention by the Cuban Government, the situation seemed much more favourable for severe measures against Castro than on any previous such occasion. By this time only four Latin American countries still maintained relations with Cuba: Bolivia, Chile, Mexico, and Uruguay. Although they did not support sanctions at the Ninth Meeting, all except Mexico did so subsequently in the face of renewed U.S. pressure. The most significant result of the Meeting was a warning to Cuba:

> that if it should persist in carrying out acts that possess characteristics of aggression and intervention against one or more member States of the Organization, the member States shall preserve their essential rights as sovereign States by the use of self-defense in either individual or collective form, which could go so far as resort to armed force, until such time as the Organ of Consultation[4] takes measures to guarantee the peace and security of the hemisphere.

This could form the basis of some future action by the United States

[4] Under the Rio treaty, this is the Meeting of Consultation of American Foreign Ministers or the OAS Council acting provisionally in that capacity.

against Castro, and appears the more ominous since her intervention in the Dominican Republic. The Ninth Meeting also called upon the non-American allies of the United States to help make its resolution effective: that is to say, to stop trading with Cuba. There was very little more the OAS could do about Castro unless he offered more obvious provocation. Yet the United States was determined not to coexist with a communist government in the Western hemisphere.

Meanwhile, it would hardly be surprising if Mr Johnson concluded from the Cuban experience that the only way to prevent the emergence of 'a second Castro' was for the United States to act swiftly in any situation where a communist take-over of another Latin American country seemed likely. The United States could not rely upon her allies to accept her judgment as to when that situation had arisen, but few would oppose her once she was committed. Specifically, she could secure the two-thirds majority needed in the OAS to give some form of legality to her position. Those Latin American countries unwilling to endorse her intervention would in any case have raised obstacles to prompt action had she sought prior agreement from the OAS.

At all events, the marines were landed in the Dominican Republic. They had been sent, it was said at first, to safeguard the lives of U.S. citizens and other foreign nationals following the breakdown of law and order. Even so, this action was painfully reminiscent of the days before Franklin Roosevelt, and was viewed with anger and dismay throughout Latin America: anger among the vast majority as yet another manifestation of 'Yankee imperialism', and dismay among Latin American leaders seeking to co-operate with the United States in the face of widespread anti-Americanism. When the United States appealed for OAS assistance in carrying out her self-appointed task, many member governments were very reluctant to accommodate her.

Moreover, it became clear almost at once that the real purpose of the U.S. intervention was to prevent a communist take-over of the Dominican Government. President Johnson declared that the United States had evidence that the rebel movement had come under communist control. It is of interest that he endeavoured to justify his action by reference to the unanimous resolution of the Eighth Meeting of Consultation declaring the incompatibility of Marxism-Leninism with the inter-American system. But the U.S. appeal to the OAS was not to assist in meeting a communist threat, but to provide an inter-American peace-keeping force.

Convened in secret session 'at the ministerial level', the OAS Council is reported to have heard considerable criticism of the U.S. intervention; Chile, Mexico, and Venezuela openly accused her of violating the OAS charter. The most the United States could obtain at first was the appointment of a five-man conciliation commission (consisting of representatives of Argentina, Brazil, Colombia, Guatemala, and Panama) to visit the

Dominican Republic and try to negotiate a cease-fire between the rebels and the military junta. In the meantime, the United States protested that she was not taking sides, while accusing the rebels of being communist-dominated! It was several days before she was able to muster the necessary Latin American vote for an inter-American military force. In spite of the immense pressure the United States exerts on a crucial issue, her proposal (somewhat modified) obtained only the bare two-thirds majority required for its adoption. Chile, Ecuador, Mexico, Peru, and Uruguay voted against it, and Venezuela abstained. Some of these countries are important, and their opposition is indicative of much wider Latin American dissatisfaction with what had occurred. Uruguay, one of the two Latin American members of the Security Council, joined France in condemning the U.S. intervention when the Soviet Union brought the matter before the world organization.

The Dominican crisis is not yet over, but certain conclusions can be reached concerning it. Tens of thousands of U.S. marines have been sent into a small Caribbean country: a show of force designed to demonstrate U.S. determination that another communist satellite shall not be established in the Americas. An OAS presence will give a façade of internationalism while the United States resolves the Dominican political situation to her own satisfaction. The Security Council will prove no obstacle to the fulfilment of this objective, and the result will appear on the surface as a triumph for what is coming to be called the 'Johnson Doctrine'. Latin American feelings may have suffered, but these must be subordinated to more urgent considerations; so must widespread criticism of the intervention in other regions of the world.

But this is not the end of the matter. It is possible that the marines will have to remain in the Dominican Republic a long time if a government is to be sustained there which satisfies U.S. requirements. A comparable situation may develop elsewhere in the hemisphere, perhaps in one of the larger Latin American countries. Colombia is already being mentioned. Meanwhile, the United States is not reconciled to the continued existence of the present Cuban Government; indeed, the next logical step for the Johnson Doctrine would surely be to overthrow Castro. This would be a further blow to the inter-American system already weakened by the Dominican crisis. The possibility of such action is a threat hanging over inter-American relations.

U.S. relations with Latin America are intrinsically delicate because of the vast disparity of power between them. Perhaps the most important function of the inter-American system has been in some measure to mitigate this Great Power–small Powers relationship. Because of her overwhelming might—and her past policies—the United States is unpopular in Latin America, and therefore it is extremely difficult for Latin American governments to avoid charges of subservience if they are

friendly towards her. Hence the unpalatable fact that, generally speaking right-wing dictatorships, unresponsive to public opinion, have been th most co-operative with the United States, especially on the question o combating communism in the hemisphere. But the U.S. preference fo such dictatorships over what she calls 'leftist' governments has furthe increased her unpopularity in Latin America. Only by exercising mor restraint, and showing greater understanding of the problems of th region and Latin American efforts to solve them, can the United State hope to put inter-American relations on a less precarious basis.

One obvious way to further more harmonious inter-American rela tions is to strengthen the Organization of American States as a body i which Latin American governments are genuinely consulted on the vita issues of the hemisphere and may hope to have influence on the decision taken. This the United States has tried to do until a crisis arises in whic her leaders consider it necessary either to force the necessary degree o support for her policies or to ignore the OAS altogether. Unfortunately Latin America is a critical area and likely to become more so. This ha been heavily underlined by the crisis in the Dominican Republic, an will continue to be the case whatever the immediate outcome. Unde these circumstances, in spite of much useful work which it promote in many fields of inter-American co-operation, the Organization o American States can make only a marginal contribution to a solution o the great issues which confront the Western hemisphere today.

Background to the Dominican coup

ALISTAIR HENNESSY

TRUJILLO'S assassination in May 1961 brought to an end a thirty-one year dictatorship which for its tyranny, cynicism, and corruption ha become a byword even in the Caribbean. The assassination was the wor of an ill-assorted group of tyrannicides (only two of whom, General Amiama Tio and Imbert Barrera are still alive), drawn together by mixe motives. It was essentially a palace *coup* and the next eight months wer an uneasy period of neo-*Trujillismo* under Dr Balaguer (Trujillo's ex-secretary), the main opposition being the old families of the upper and middle classes who now claimed their patrimony. This group becam institutionalized in the *Union Cívica Nacional*. At the end of 1961 an

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abortive attempt by the Trujillo family to return from exile brought this period to a close. A seven-man Council of State under the influence of the UCN was established, to hold the ring until elections for the Presidency and a Constituent Congress could be held in December 1962.

With the disappearance of the Trujillos, the Dominican Republic became respectable; the OAS sanctions of 1960 were lifted; the Alliance for Progress became operative; and swarms of technical missions descended on the island. The United States seemed determined to make it a show-place of the Alliance and a challenge to the Cuban model. Meanwhile, feverish preparations were made for the December elections. The contest soon polarized round the UCN and the *Partido Revolucionaria Dominicano*, formed in exile in the early 1940s by Juan Bosch. The UCN were favourites—they had ample funds, the benefit of anti-*Trujillista* antecedents, and the muted support of the United States. But the contest was not confined to their supporters, the landholders, the business community, the Church, and the military; and in the final result Bosch swept home in what observers regarded as one of the cleanest elections in Latin American history, on the support of peasants, urban labour, and lower middle class, with 62 per cent of the votes and a majority in both Houses.

What sort of man is Bosch? Was he, as the UCN claimed, a puppet of the Communists? How, after such an overwhelming victory, could he have been bundled off so ignominiously into exile again in 1963? When he returned after twenty-five years' exile his only political assets were his austere unimpeachable character and his reputation as founder and leader of the PRD. Coming from a humble background, and largely self-educated, he had in exile moved round the Caribbean forming links with the 'democratic Left'—with Prío Socorrás in Cuba, Figueres in Costa Rica, Betancourt in Venezuela, and Muñoz Marín in Puerto Rico. But unlike these political realists he remained primarily an intellectual, austere and somewhat aloof, closer perhaps in spirit to Venezuela's writer-President Rómulo Gallegos. The closest parallel may be with Arévalo, the Guatemalan leftist intellectual called from exile to assume the Presidency and, like Bosch himself, accused of permitting Communist infiltration into an inexperienced Administration.

In Cárdenas-style, Bosch stumped the country during his election campaign listening to peasants' grievances. A self-styled 'revolutionary democrat', he promised to break up the Trujillo estates, to guarantee a minimum wage, and to provide social security, and when the radical Constitution was promulgated in April 1963, with its equivocal references to property rights and its secularist clauses whittling down Church influence and legalizing divorce, accusations that he was a crypto-Communist began to multiply. He was accused of allowing Communists to infiltrate the Administration,[1] the substance of this being that some

[1] See T. Draper, 'Bosch y el comunismo', in *Cuadernos*, January 1964.

of his closest advisers were Marxists and admirers of Castro. The pres dent of the PRD, Angel Miolán, for example (with whom Bosch ha now broken), had once been closely associated with fellow-travellin Lombardo Toledano in Mexico, and after 1962 became Bosch's close confidant. However, in spite of Castro admirers in his entourage, Bosc refused to establish relations with Cuba, and Castro reciprocated b labelling him an American stooge because he accepted U.S. aid. Bosc defended his tolerant attitude to the Communists. He argued that sup pression would only have driven them underground and led to guerril activity and terrorism, and that social and economic reforms, not re pression, were the best bulwark against Communism. It may well be, c course, that this argument was based on his view that the Left was to divided to pose any serious threat.

The Dominican Communist party, the *Partido Socialista Popula Dominicano*, originated among Spanish Communist exiles and was on of the most recent in Latin America (in marked contrast to the Cuba party which, founded in the mid-1920s, was one of the strongest). It membership was recruited, as in Cuba, from the urban workers, th intellectuals, and the lower middle class. To the Left of the PSPD was th *Movimiento Popular Dominicano*, a Marxist-Leninist group; its recruit ment seems to have been in competition with the PSPD. Finally, ther was the Castroist *Agrupación Política Catorce de Junio*, named, like th Cuban 26 July Movement, after an abortive *coup* against Trujillo in 195 Like the Cuban movement, it drew its main support from the student and younger generation. The significant point about all these groups i that, unlike the PRD, they had no substantial following among the peas antry (although even Bosch's peasant support began to evaporate as soo as it was clear that agrarian reform would be a lengthy undertaking).

The crisis finally came in September 1963. Bosch was overthrown by military *coup* after refusing army demands for a purge of the Administra tion and after almost forcing a war with Haiti with which the army dis agreed. Loss of mass support and his inability to build a countervailin power to the military left him no alternative but exile. The military the installed a civilian triumvirate, the most forceful member of which wa Reid Cabral, son of a Scottish immigrant, who had married into a ric Dominican family. Reid determined to implement an unpopular austerit programme to bolster the economy sagging under the catastrophic dro in the world market price of sugar, the commodity which provides be tween 60 and 70 per cent of the island's foreign exchange. This pro gramme not only hit the middle class and the masses but also the military whose smuggling activities and canteen concessions had become a publi scandal. Ultimately, in the Dominican Republic the gun still rules, an Bosch had failed to learn from Betancourt the latter's technique of dealin with recalcitrant generals. Dominican military politics tend to be con

ditioned by intense factional rivalries and the roots of the recent *coup* must be sought in these.

On a number of occasions in 1964 Reid faced serious military opposition to his attempts to weaken the power of the army by rotating the commands and by cleaning up corruption. But the price for dismissing some of the worst offenders was to buy off others including even some with doubtful *Trujillista* pasts; this caused resentment within as well as outside the armed forces. In his strong-arm methods Reid had the support of forty-year-old General Wessin y Wessin, a fanatical Catholic and anti-Communist; and as commander of the vital San Isidro base (with its unsavoury memories of Trujillo's heyday) and with control of the air force and the tanks Wessin held the key position.

Early this year a group of officers met to discuss ways of getting rid of Reid and whether to permit the elections scheduled for September to take place or not.[1] The meeting seems to have broken up in disagreement. It is not certain if Lt-Col. Caamaño was present but it is possible that he then decided to get his *coup* in first. How far he capitalized on Bosch's name in order to win the mass support he needed to overthrow Wessin or how far he is a genuine Bosch man is difficult to say, although his antecedents must raise doubts as to his precise motives (he is the son of Trujillo's C.-in-C. and was dismissed from the mobile police in January).

Certainly once he had made the *coup* and began distributing arms the extremists of the Left saw an opportunity to capture the revolt. The failure of the APCJ landings in the north of the island in late 1963 to start guerrilla activity had led this group to switch to urban terrorism which had been increasing earlier this year. A crucial question, but one on which little evidence is as yet available, is whether Bosch has any understanding with the APCJ, who can provide the student support which he lacks, in common with the 'democratic Left' throughout Latin America.

Whatever the outcome of the present revolt, it is clear that it was not an orthodox revolution according to Cuban theory. Indeed, the self-confessed failure of the APCJ guerrilla activities reveals the irrelevance of the Cuban model. But presented with the chaotic early days of the revolt, which left-wing group would not have seized the opportunity?—especially since the PSPD had published a manifesto in early April announcing that the country was ready for Bosch's return and that this could be achieved only by a union of all progressive forces.[2] It seems that there may well have been three separate *coups* in preparation, by the military in one or other of its factional forms, the PRD (with a possible link with the APCJ), and the PSPD. Ultimately the chances of a united left-wing front seem to have been remote, and perhaps the Cuban cause has been best served by the U.S. intervention.

[1] *Ahora* (Santo Domingo), 3 April 1965.
[2] *Bohemia* (published in Havana), 16 April 1965.

Buddhism and politics in South Vietnam

ADAM ROBERTS

DESPITE widespread recognition of the bearing which social and political developments have on the outcome of guerrilla struggle, curiously little has been written about the Buddhist movement in South Vietnam. The fears that this movement has inevitably aroused—that it is a socially disruptive force, that it is introducing religious warfare into a country already torn by guerrilla warfare, that it is Communist-dominated, and that it is neutralist or pacifist—may have prevented a properly dispassionate look being taken at the history of the movement and its place in Vietnamese society.

To the world, the Buddhist movement began on 8 May 1963, when to celebrate Wesak (the anniversary of the birth of Buddha) Buddhists gathered outside the radio station in Hue to hear the traditional Wesak Day broadcast; the broadcast was not put on the air, and when government forces ordered the thousands-strong crowd to disperse, shots were fired. Eight people were killed, seven of them children. The Buddhists blamed the Government for the deaths, the Government blamed the Vietcong. The weight of the evidence certainly confirms the Buddhist case—particularly that of two Germans who were working in Hue at the time, Dr Erich Wulff, who was present at the demonstration on 8 May and later saw the eight bodies in the morgue, and Dr Raimund Kaufmann, who photographed the corpses.[1]

To the Buddhists, the incident was simply the last and most blatant outcome of a policy of systematic suppression by the regime of Ngo Dinh Diem. They had long felt that the official support for Catholicism was of such a nature as to endanger their religion, and saw legal proof of this in the pro-Catholic nature of the regime's legislation on divorce and other matters, and in Decree No. 10, passed by Bao Dai in 1950 under French colonial rule and never repealed, which imposed stringent restrictions on associations; Buddhist groups counted as 'associations', while the Catholic Church was, in Article 44 of the decree, specifically exempted. It is not surprising that the Buddhists resented their second-

[1] Wulff subsequently wrote about the Buddhist revolt in a number of journals, including the *New Republic*, 31 August 1963. On 11 September he and Dr Kaufmann signed affidavits about the 8 May killings and other incidents at Hue.

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class status, especially as in neighbouring Laos, Thailand, and Cambodia, Buddhism is the established religion.

Many of the Buddhist complaints against the regime were of their very nature difficult to document, but there was a consistent stream of them which started long before the Buddhist campaign began.[2] In 1961 and 1962 the Buddhist journal *Lien Hoa* published appeals to the Government to end religious oppression in three provinces of Central Vietnam—Quang Ngai, Binh Dinh, and Phu Yen—and complained of enforced conversions to Catholicism. It also published a letter from Buddhist soldiers complaining that permission to celebrate Wesak was being withheld or granted too late. In 1961 Mai Tho Truyen, a lay Buddhist leader who was later to be active in the campaign against the Diem regime, said in interviews that Buddhists in Central Vietnam had even charged the Government with such outrages as killings. Buddhists also complained that they were arbitrarily moved to new agricultural projects in remote areas and harshly treated when they got there, while there was favouritism towards Catholics in such matters as promotion, land tenure, etc. Guns and economic aid were frequently channelled through Catholic bodies, partly no doubt because the regime felt that Catholic support was secure, but such a policy could not fail to produce some kind of upheaval.

Public insults, such as the granting in 1961 of the traditional Buddhist holy place at Thien But, in Quang Ngai province, to Catholic priests as a building site, naturally offended the Buddhists, but only rarely did they break with their traditional politically passive attitude. In 1957, when Diem removed Wesak from the list of official holidays, they responded by celebrating it on a large scale: under pressure, the Government restored official recognition.[3]

The most impressive criticism of the Diem regime's pro-Catholic policies appeared, perhaps surprisingly, in a prominent Catholic journal. In the 15 March 1963 issue of *Informations Catholiques Internationales*, published in Paris, a special ten-page survey of the Church in Vietnam contained numerous warnings about the relation between Church and State in Vietnam. The survey cited examples of Catholics being given preferential treatment in obtaining visas, in promotion, and in organizing processions. Commenting on the much-paraded fact that there were only two Catholics among Diem's fourteen Ministers, it stated: 'The opinion of the people is not formed solely by an album of photographs of Ministers; it is more sensitive to the place of honour occupied by a bishop at a military parade, to the comings and goings of priests in the Ministries, to their power to intercede for the release of a suspect or for aid for a re-

[2] Denis Warner in *The Last Confucian* (London, Penguin Books, 1964) mentions two cases of ill-treatment of Buddhists before 1963, pp. 153 and 209.

[3] See *A Statement on the Persecution of Buddhists in South Vietnam*, presented to delegations at the United Nations by the Overseas Vietnamese Buddhist Association, Bihar, India, in September 1963.

fugee.' Public opinion, it said, is critical of 'processions which hold up traffic over several kilometres in Saigon or Hue, after having been prepared for weeks with the technical assistance, the personnel, and the equipment of the army or the information service. Nor can opinion be insensible to the fact that it is the personalism of [the French Catholic] Emmanuel Mounier which the regime has chosen to spread and set against Marxist ideology. . .' The article went on to say that the 'triumphalism' of the Catholic minority 'does not fail to nourish a certain discontent among the non-Catholics. . . It is easily observable in Saigon and in the most remote villages.' The survey included a statement by a Vietnamese Catholic, who referred to 'Buddhist ceremonies more or less sabotaged by cars from the information service which, armed with loudspeakers, parked near pagodas. . .'

Despite, or perhaps because of, official policies, Buddhism seems to have gained in popular support during the Diem regime, and it has been suggested that the harsh policies of the regime in its last few years were caused by official annoyance at the success of the Buddhists. It is hard to estimate the exact numbers of Buddhists, partly because Buddhism is a less formal religion than most. The Buddhists have claimed that 80 or even 85 per cent of the population of some 14 million is Buddhist, but these figures are true, if at all, only in the loosest sense. Figures of 70 and 75 per cent have also been quoted, but these again must be treated with caution. Figures for the number of Catholics are more precise; in 1963 just under 10 per cent were Catholics. While it is undeniable that Buddhism is the majority religion in South Vietnam, disputes over figures may only serve to obscure the fact that an important aspect of the Buddhist campaign in 1963 was the wide degree of support it received from Catholics and others.

A major characteristic of the Diem regime—and one not uncommon in new States—was the suppression of all groups independent of the Government. Both the Boy Scouts and the trade unions, for example, found themselves declining in influence and importance as government-controlled and financed rivals took their place; in view of this it was not surprising to find the Scouts playing an active and courageous role in the Buddhist struggle against the regime, and a representative of the Confederation of Vietnamese Christian Workers giving evidence to the U.N. mission which visited South Vietnam in October–November 1963. This witness declared:

> The Government seeks to create difficulties, especially in Central Vietnam, through its police agents, not in the exercise or practice of Buddhism in pagodas, there has been no interference there, but difficulties in the propagation of faith among the masses and the organization of the masses. . .
>
> This is a political problem. . . There is Communist subversion and

> the Government uses this as a pretext to throttle the legitimate demands of the population and that has created discontent not only among the Buddhists but also among the Catholics. And now this is an opportunity for it to explode. . .[4]

Although only the Buddhists remained as a group independent of the Government and enjoying any degree of organization, when their campaign started they had no unified central structure; in 1951–2 a General Buddhist Association had been formed, containing monks and laymen from six sects, leaving about ten sects not represented in it. The General Buddhist Association was to provide an initial focus for the Buddhist resistance, and its headquarters at Xa Loi pagoda, built in 1958 in a fashionable part of Saigon, was to be the scene of many important incidents in the struggle against the Diem regime.

It was in Hue, however, that the struggle began, and in that town there was considerable popular resentment against Archbishop Ngo Dinh Thuc and against Ngo Dinh Can, who virtually ruled Central Vietnam. The enormous power wielded by these brothers of President Diem goes far to explain the fact that repression was worst in Central Vietnam, and that resistance began there. Only a short time before the 1963 Wesak, Archbishop Ngo Dinh Thuc had celebrated the twenty-fifth anniversary of his ordination with considerable pomp in Hue and other towns of Central Vietnam. Thich Tinh Khiet, the aged President of the General Buddhist Association, refused a request from one of Thuc's brothers that the Association send a telegram of congratulation to Archbishop Thuc—a decision that was perhaps to have been expected in view of the fact that Thuc was widely seen as the main exponent of Catholic 'triumphalism'.

It was believed to have been in retaliation against this refusal to send a telegram that, on 6 May 1963, an order was sent from President Diem's office placing restrictions on the flying of the Buddhist flag. Coming only two days before Wesak, the order immediately aroused the opposition of Buddhist groups. At a procession in Hue on the morning of 8 May, a number of banners denounced restrictions on religious freedom, and in his recorded speech—which the Voice of Vietnam refused to broadcast—Thich Tri Quang, the forty-one-year-old President of the Buddhist Association of Central Vietnam, referred to these as expressing legitimate demands. It was when the speech was not broadcast and angry crowds refused to disperse that the shootings occurred.

The day after the Hue shootings Thich Tam Chau, Vice-Chairman of the General Buddhist Association, wrote a letter from Saigon addressed to all monks, nuns, and Buddhists in Vietnam appealing for their support

[4] *Report of the United Nations Fact-Finding Mission to South Vietnam* (United Nations General Assembly, A/5630, 1963), pp. 225–31. The report, though in places inaccurate, contains some valuable statements on the nature of the repression of Buddhism, for example on pp. 242–3 and in Annex XVI.

to 'protect our just religion in an orderly, peaceful, non-violent manner'. Buddhists, the letter said, must be ready to 'march down the road of martyrdom'. On the same day, in Hue, crowds gathered to protest against the killings of the previous day and the more general restrictions on Buddhism, but complied with the requests of Buddhist leaders that they should disperse. On the following day they reassembled at a large rally and Buddhist leaders presented a manifesto with five demands which were to be the basis of their struggle against the regime:

1. That the Government cancel the order forbidding the flying of the Buddhist flag;
2. That Buddhists be allowed to enjoy the privileged status granted to Catholic missions by Decree No. 10;
3. That the Government stop arresting and persecuting the Buddhists;
4. That Buddhist priests and laymen be allowed freedom to worship and propagate their faith;
5. That the Government pay fair compensation to the victims of the Hue incident and punish those responsible for it.

The manifesto also contained a declaration that 'we are with the Government . . . have no enemies . . . fight only for religious equality . . . will use non-violent methods of struggle . . . will not be "used" by anyone'.

The events which followed during the next six months were reported around the world, and few campaigns can have attracted so much attention and support in so short a time. Undoubtedly the Buddhist leaders' commitment to non-violent methods did much to ensure that the campaign aroused support both internally and internationally, though these methods seem to have been adopted less on tactical grounds (the Buddhist leaders do not appear to have been familiar with non-violent struggle in other contexts) than because of the injunctions to non-violence in Buddhist teachings.

Perhaps the best-known Buddhist tactic was the fire-suicide, or self-immolation as the Buddhists called it; there were in all seven fire suicides in the campaign against Diem, the first (that of Thich Quang Duc) on 11 June 1963, and the last on 27 October. While such methods inevitably appear horrifying, they fall within the category of non-violent action in that such violence as is done is done to oneself, not to the opponent. That it was a tactic to be used with extreme discretion was recognized by the Buddhist leaders, who at various times in July and August discouraged protest suicides.

If the protest suicide was the most spectacular tactic—and it was one which struck a deep chord among the Vietnamese people, as many observers noted—it was certainly far from the only one. Fasts, protest demonstrations, memorial services for the Hue victims, and sit-downs were organized on a mass scale in support of the five demands. The leadership repeatedly discouraged acts of violence by their supporters,

and on several occasions restrained their followers and tried to call off demonstrations; when violence did break out, it was generally in demonstrations not planned by the Buddhist leadership—as for example in Hue on 3 June and in Saigon on 16 June.

Struggle to overthrow the regime

It is hard to say at exactly what point the Buddhists recognized that they were struggling, not simply for their five demands, but also for the overthrow of the regime. Thich Tam Chau, Chairman of the Inter-sect Committee for the Defence of Buddhism in which fourteen of South Vietnam's sixteen sects joined to co-ordinate the struggle, took part in delegations which negotiated with President Diem (15 May) and with a government interministerial committee (14–16 June). The latter meeting produced an agreement, signed by President Diem and Thich Tinh Khiet, in which the Buddhists made substantial concessions to the Government. It provided for numerous restrictions on the flying of Buddhist flags, and the Buddhists failed to get the Government openly and explicitly to accept responsibility for the Hue killings: instead, the more general and ambiguous wording was agreed upon, that 'government officials of all departments responsible for the incidents which have been happening since 8 May will be severely punished if proved guilty...' The Government did, however, agree to introduce legislation detaching religious associations from Decree No. 10, and to pardon those involved in the campaign for the five demands.

Only a day after it was signed, the agreement was undermined by an article in the *Times of Vietnam*, a paper with close links with the fiery and violently anti-Buddhist Madame Nhu; this said that the leaders of the Buddhist protests had connections with the Communists—a charge which infuriated the Buddhists. During the next few weeks the Buddhists became increasingly angry, accusing the Government of non-compliance with the agreement of 16 June, and long letters to officials gave precise details of their complaints. By mid-July the Buddhists seem to have abandoned all trust in the Government and all willingness to negotiate.

When the Buddhist campaign was resumed early in July, the suicide by poison of one of South Vietnam's most celebrated writers, Nguyen Tuong Tam, provided an indication of the growing link between the political opposition to the regime and the religious opposition. Nguyen Tuong Tam, who was to have gone on trial with other civilians on charges that he was a conspirator and supporter of the abortive paratrooper *coup d'état* of November 1960, left a note saying: 'The arrest and trial of all nationalist opponents of the regime is a crime which will force the nation into the hands of the Communists. I oppose this crime, and like Thich Quang Duc, I also kill myself as a warning to those people who are trampling on our freedoms.'

This was to be the first of many acts which brought together an impressive coalition against Diem and his family. In Hue, where attacks on Buddhist and student demonstrators were particularly severe and a form of gas producing serious burns was used on one occasion, the Catholic rector of the university, Father Cao Van Luan, threw in his lot with the Buddhists. In open defiance of Diem, whose personal friend he was, he led students to pray at the Tu Dam pagoda; shortly afterwards he was dismissed from his rectorship and put under house arrest in Saigon. Forty-seven faculty members of Hue University resigned in protest. In Hue, too, many army units showed sympathy for the Buddhists, and early in August it was reported that soldiers in Hue garrison were wearing yellow cloth patches to identify themselves with the Buddhist cause. On at least two occasions, the majority of shops in Hue closed down in support of Buddhist demonstrations.

The view of many Catholics that they could not support the Diem regime's violent and repressive measures against the Buddhists received high-level backing in August, when Nguyen Van Binh, the Roman Catholic Archbishop of Saigon, circulated a pastoral letter appealing for religious tolerance and saying that some people 'confuse the political authority that governs Vietnam with the spiritual power that rules the church in Vietnam'. The following month the Vatican paper *Osservatore Romano* published an official comment suggesting that Diem's policies lacked the necessary prudence and moderation.

At the same time as the Buddhists were gaining allies, there were clear indications of a rift within the regime. Madame Nhu's bitter attacks on the Buddhists, for which she became notorious, were a sign that she intended to sabotage any hope of settlement with them; and her husband, Ngo Dinh Nhu, who controlled key political positions and was widely believed to wield more power than President Diem, actually hinted at a possible palace revolution in a speech on 3 August. If the Buddhist crisis was not resolved quickly, he said, 'it will lead toward a *coup d'état*'. Such a *coup* would be anti-American, anti-Buddhist, and against 'weakness by the Government'. Some of the otherwise incomprehensible vacillations in government policy towards the Buddhists are no doubt partly attributable to the conflicts within the regime, but the Buddhists never had any doubt that they would undergo the most severe repression. On the night of 20–21 August the attack came, in simultaneous raids on pagodas throughout the country. The brutality of these raids—in which Thich Tinh Khiet was badly hurt—caused a wave of revulsion both in South Vietnam and abroad.

The United States became increasingly critical of the regime; in August, Ambassador Nolting had been replaced by Cabot Lodge, who was believed to be more flexible, and after the pagoda raids certain types of U.S. aid were withheld. There were defections from the regime at the

top level—the Foreign Minister and the Ambassador in Washington resigned—and at a lower level. Government-staged demonstrations of support for the regime failed, and although the Buddhist movement as such was more or less effectively smashed, students and schoolchildren took to the streets. One student, Miss Quach Thi Trang, was killed in a demonstration on 25 August, and many others were tortured in prison.

By September it began to be clear that the Buddhist campaign had produced so much dissension from the regime that it was only a matter of time before it was toppled by a *coup d'état*. The army was the only group capable of staging this, as the Buddhists had neither the wish to form a government of their own, nor the ability to stage a *coup*. The amount of support the Buddhists received from the army (on at least one occasion a general failed to turn up at a press conference where he was supposed to express his support for the raids on the pagodas) and their reliance on the army at this crucial juncture at least in part explain their surprisingly sympathetic attitude to the army's subsequent involvement in politics. Thus after the mini-*coup* of 20 December 1964, in which the generals dissolved the High National Council and arrested leading opposition politicians, Buddhist leaders made non-committal declarations which could be interpreted as support for the generals. At a press conference Thich Thien Minh, the forty-three-year-old leader who had been active in the struggle against the Diem regime and was subsequently appointed Commissioner-General for Buddhist Youth Affairs, declared: 'If the intention of the generals is to have a strong anti-Communist civilian government, we would approve of their action.'[8]

Since the overthrow of the Diem regime in the *coup* of 1–2 November 1963, the turbulence of Vietnamese politics has been mystifying to the outsider, and there has been a tendency to blame the unsettled state of affairs on the Buddhists. Yet, of the many *coups* and governmental changes since November 1963, only two are directly attributable to Buddhist pressure—General Khanh's agreement in August 1964 to limit and thereafter to abdicate his powers, and the overthrow of Prime Minister Tran Van Huong in January 1965.

Buddhist political involvement

The continuing political involvement of the Buddhists can be attributed to several factors. Firstly, in a country without effective political parties or democratic institutions a group such as the Buddhists becomes a natural focus for opposition. Secondly, there has been a widespread feeling that a genuine popular revolution is needed in South Vietnam. Within a month of the overthrow of Diem, the head of the Buddhist student association was quoted as saying:

[8] *New York Times*, 27 December 1964.

The rural population considers the change of regime just a *coup d'état*, not a revolution... A revolution must bring about changes at the lowest levels of society, not just in the superstructure...[6]

A year later, announcing the struggle against the Huong regime, Buddhists cited as specific charges against the regime its employment of hated secret agents, its suppression of pro-Buddhist newspapers, its requirement that civil servants should state their religion (as they had had to under Diem), and its 'slandering' of Buddhist intentions and activities. But underlying these specific objections may have been a more general desire for revolution. As one senior Buddhist monk stated: 'We will take all possible precautions against exploitation of our campaign by the Communists... It is just because we want to fight the Communists that we want a revolutionary government—Huong is not a revolutionary.'[7]

Since the overthrow of the Diem regime, the Buddhists have built up an impressive organization. In January 1964 a Unified Vietnamese Buddhist Church was formed, eventually gaining the support of fourteen sects; its secular arm, the Buddhist Institute in Saigon, co-ordinates Buddhist social and educational work, and has been at the centre of much recent Buddhist political activity. Thich Tam Chau, Chairman of the Institute, and Thich Tri Quang, who is considered by many the most influential single Buddhist in South Vietnam, have established throughout the country what virtually amounts to a shadow government.

The exact nature of Buddhist political ambitions has not always been clear, and many Catholics have feared that the Buddhists are out to dominate the country with their own brand of 'triumphalism'. These Catholic fears are natural in a country with a history of religious violence (before the French colonized Vietnam the Catholics were cruelly persecuted), but apart from some unpardonable attacks on Catholic villages and a Catholic newspaper and school in August and September 1964, there has been little communal strife.

At times, Buddhist leaders have been uncertain and divided in their reactions to events, and after street riots last November, which Buddhist leaders—though they did not organize them—appeared to condone, the Buddhist Institute was closed for a fortnight while a round of conferences was held. There appears to be some lay concern about the political activities of monks, but this is shared, at least partly, in the highest Buddhist circles; last October, Thich Tam Chau issued a communiqué from the Buddhist Institute asking all Buddhists to prevent the faith from being used for political movements, and when last February Thich Quang Lien, Commissioner for Educational, Cultural, and Social Affairs at the Buddhist Institute, addressed himself to the urgent problem of the war and produced a cease-fire manifesto, the annual meeting of

[6] *New York Times*, 27 December 1963. [7] *ibid.*, 11 December 1964.

the Unified Vietnamese Buddhist Church conspicuously failed to commit itself to his proposals.

The attitude of Buddhist leaders to the war has been the subject of many sweeping generalizations, and vague aspersions have sometimes been cast about possible links between the Buddhists and the Vietcong. It is worth recording that from the beginning of their campaign against Diem, the Buddhists made clear their determination to be independent; and when General Vo Nguyen Giap of North Vietnam stepped into the dispute with a letter to the International Control Commission protesting against the persecution of the Buddhists, the General Buddhist Association quickly declared that it objected to the letter, and argued that the ICC had no power to intervene in internal affairs.[8]

Many of the Buddhist leaders—including Tam Chau and Tri Quang—are refugees from Communist North Vietnam, and Tam Chau in particular has been associated with outspoken opposition to Communism. Last February he told a rally of 10,000 people in Saigon that energetic support should be given to the Armed Forces Council and the civilian Government of Prime Minister Phan Huy Quat.[9] Tri Quang also speaks of the need to oppose Communism, but he appears to be associated with those Buddhists who, while expressing anti-Communists entiments, are also critical of U.S. policy, and many Buddhist leaders certainly feel that the endless continuation of the war will deliver Vietnam to Communism as the mass of the people give up hope. At present, however, leaders at the Buddhist Institute in Saigon reluctantly support U.S. bombing in North Vietnam. But they do express a wish to be able to use non-violent methods not only against 'another Diem regime', but also against the Vietcong. The possibility of widespread popular resistance led by Buddhists should not be discounted in the event of a Vietcong take-over, particularly if the Vietcong should attempt to introduce into South Vietnam some of the totalitarian measures which caused such bloodshed in North Vietnam in 1953–6.

Recently one of the leaders at the Buddhist Institute told of a successful resistance against the National Liberation Front in Quang Nang province in the autumn of 1964. The NLF there tried to get Buddhist leaders to co-operate in its administration, but they refused and on three occasions resorted to non-violent resistance. Finally the NLF gave up and left them alone. More recently, according to the Vietnam Press Agency, a Buddhist monk burned himself to death at the village of Vinh Truong and left letters asking the Vietcong to end persecution of religious people, to stop using lying propaganda, and 'no longer to make use of pagodas to garrison their subversive forces'.

There is no space here for an evaluation of the potentialities of a

[8] *The Hindu* (Madras), 10 July 1963, and *Le Monde*, 23 August 1963.
[9] *New York Times*, 24 February 1965.

Buddhist-led struggle against dictatorship from the Liberation Front, but they should not be underestimated in view of the Buddhists' success against the seemingly secure regime of Ngo Dinh Diem—a regime which had survived two previous attempts at *coups d'état* and possessed many of the characteristics of the totalitarian State. While it is true that fellow Mahayanist Buddhists in China and North Vietnam have not shown much organized resistance to Communist impositions, the political activities of South Vietnamese Buddhists over the last two years and their experiments in non-violent struggle may mark the beginning of a new and more militant attitude.

Indonesia and Malaysia: the diplomacy of confrontation

MICHAEL LEIFER

SINCE the fruitless Tokyo Summit of June 1964 the dispute over Malaysia has jelled in political stalemate. Initiatives on the part of the Governments of Thailand and Japan to bring the principals of that occasion, President Soekarno and Prime Minister Tunku Abdul Rahman, together once more have not met with success. Meanwhile, the Indonesian Government has shown no sign of wishing to abandon its attempt to 'crush' the neighbouring Federation; invective against Malaysia remains the order of the day in Jakarta and insurgents continue to be dispatched across the borders of Sabah and Sarawak and across the Straits of Malacca, so far without evident success.

The point has been well made that Indonesia secured West Irian from the Dutch because, in part, 'she gained moral validity for her claim on grounds of anti-colonialism and gathered significant support for it among many Afro-Asian States...'[1] And the struggle for control over West Irian has been seen 'as the prototype or model' for Indonesia's diplomatic offensive against Malaysia. This offensive is taking place on a wide front where freedom of manœuvre is much greater than in the face-to-face diplomacy of summit confrontation. Here, by contrast, the situation is still fluid with

[1] See George Modelski, *Indonesia and Her Neighbours*. Policy Memorandum No. 30. Centre of International Studies, Princeton University. October 1964, p. 9.

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many positions to be defined. The objective would seem to be to persuade what is loosely known as the 'third world' to join in challenging the credentials of Malaysia on the ground that she represents a neo-colonialist conspiracy. Indonesia would thus hope to bring about the diplomatic isolation of Malaysia from the so-called New Emerging Forces, and to see this formalized in an *ex cathedra* edict of excommunication at a legitimate international gathering, in particular, the second African-Asian Conference due to convene in Algiers late in June 1965. The expectation exists that United States sensitivity to such opinion would then lead her to intervene, as in the West Irian dispute, to seek a settlement acceptable to Indonesia. In these circumstances, Britain, it is felt, would be forced to admit the untenable nature of her position in support of Malaysia and to acquiesce, in return for a vague offer of economic advantage, in the dismemberment of yet another inspired artificial federation.

The Indonesian exercise tends to rely unduly on historical example which could be misleading. Malaysia is not an isolated vestige of empire but an economically viable independent polity which, in spite of very serious internal difficulties, shows no sign of giving up its existing territorial structure in an act of resignation and despair. The United States has demonstrated by her actions in Vietnam that she is prepared to disregard Afro-Asian opinion. Her continuing determination to maintain her position in South East Asia, together with the progressive deterioration of her own relations with Indonesia, has most probably made the preservation of the territorial integrity of Malaysia seem vital to the defence of what the United States regards as the 'Free World'. At the same time, Indonesia's apparent alignment with Communist China in no way parallels the association with the Soviet Union in the latter stages of the West Irian campaign, and would seem to offer less prospect for Indonesian exploitation to advance her cause against Malaysia. The British Labour Government, in spite of an awareness of the need to reduce overseas expenditure, seems determined not to come under Opposition fire for showing lack of resolution in upholding international commitments. It is keen, therefore, to support the ideal cause: a multiracial Commonwealth country which presents the appearance of closely reflecting the Westminster model in its parliamentary practice. It also seems to relish its position east of Suez, partly to demonstrate its world role to its transatlantic ally.[2] Finally, Afro-Asia is very much less convinced by the rhetoric of confrontation against Malaysia than it was against the colonial Dutch, in spite of the continued British military presence.

Indonesia, nevertheless, continues to persist with the wider diplomacy of confrontation and looks to the African-Asian Conference in Algiers to

[2] This would seem to be appreciated in Washington. See the report of an interview with U.S. Defence Secretary, Robert McNamara, *The Times*, 6 April 1965.

provide the occasion for a success which, so far, has been eluding her.

The Tokyo Summit

When the heads of government of Malaysia, Indonesia, and the Philippines met for just one day in Tokyo on 20 June 1964, it marked the second such gathering to try to resolve the dispute over the formation of Malaysia. The first and by now almost legendary Manila Summit of July–August 1963 had produced a surface accord which proved incapable of withstanding the strains brought about by the delayed emergence of the new Federation on 16 September 1963. At the beginning of 1964, an initiative by the then U.S. Attorney-General, Robert Kennedy, led to renewed ministerial talks in Bangkok during February and March.[3] But although agreement was reached on a cease-fire in Sabah and Sarawak, the discussions failed to close the gap between the negotiating positions of the Indonesian and Malaysian Governments. The Malaysian representatives had insisted on the withdrawal of all Indonesian irregulars from Federation territory as a precondition to a meeting of heads of government, but the Indonesians refused to consider such a measure except in the context of a general political settlement. At this stage the Philippine Government, in dispute with Malaysia over its claim to a portion of Sabah, took on the role of mediator rather than joint antagonist. The Foreign Secretary at the time, Salvador Lopez, began an intense effort journeying from capital to capital to try to remove the apparent remaining obstacle to a second Summit. His endeavours appeared crowned with success when, on 31 May, it was announced in Kuala Lumpur that Indonesia had accepted the principle of withdrawal of her forces from Sabah and Sarawak. The Malaysian Government, however, insisted on verification of withdrawal before the Tunku would meet with Soekarno. It became clear, as pre-Summit talks began at the Tokyo venue, that the Malaysian Government was concerned less about the substance of withdrawal than to obtain a token demonstration, to be verified by Thai observers, of Indonesian aggression. This was not accomplished until the Tunku had been in Tokyo for five days. Soekarno, meanwhile, had arrived even earlier in order, it was said, 'to rest in surroundings he is known to find congenial'.

The principals met early on the morning of 20 June. The conference marked the culmination of a process of negotiation which had dealt essentially with the preconditions for talking rather than with seeking to find points of agreement which could be made the basis for a settlement. It at once became evident that there was no common ground between the Indonesians and the Malaysians, who both, probably, regarded their attendance as a demonstration of good faith to the Afro-Asian world. There was also very little time because President Soekarno had made known his

[3] See 'Anglo-American differences over Malaysia' by the present writer, in *The World Today*, April 1964.

intention of returning home by 22 June to greet the then Soviet Deputy Premier, Mr Mikoyan, who was soliciting support for his country's attendance at the African-Asian Conference in Algiers. In his first statement at the Tokyo meeting, the Indonesian President announced: 'I cannot accept *this* Malaysia because of the undemocratic process of its formation.' He made it clear that he would be satisfied only with a return to the *status quo ante*, but this was a concession that the Malaysian Prime Minister was not prepared even to consider. When discussion moved on to the question of insurgency in Sabah and Sarawak, the Indonesian Foreign Minister, Dr Subandrio, insisted: 'We are not aggressors since Malaysia is not in existence.'

In an effort to salvage a little from what had already become a diplomatic wreck, President Macapagal of the Philippines proposed that the dispute be referred to an Afro-Asian Commission to be composed of three members chosen by Indonesia, Malaysia, and the Philippines respectively and a fourth to be chosen unanimously by the three appointed. President Soekarno expressed his agreement to this proposal and gave an assurance that he would abide by the recommendations of the Commission. The Malaysian Prime Minister agreed in principle, but with the proviso that all acts of hostility against Malaysia were to cease forthwith. In a final attempt to establish a measure of accord, the Philippine President also proposed that withdrawal of irregulars be completed at the same time as the report of the Commission was submitted. But this procedure proved unacceptable to Soekarno, who reiterated: 'All withdrawal is in conformity with the progress of the political settlement. We stick to that.' This statement was equally unacceptable to the Tunku, who pointed out: 'The question of withdrawal is part of the condition of this meeting and not to be treated as a concession in this dispute.' He went on to present his own conditions, declaring: 'Cease all acts of aggression; then I shall agree to the appointment of a Commission.' At this juncture, Soekarno said that he understood the position and that no advantage would be gained by proceeding any further. He then withdrew from the conference room to give a prearranged television interview and returned several hours later just to approve a joint statement. Both principals left Tokyo for their respective capitals the next day and, in the words of the *Times* correspondent, 'President Macapagal of the Philippines, who laboured energetically for the success of the talks, and the Japanese Government were left to mourn over the ruins.'[4]

The extension of confrontation

Following the failure of the Summit, the Indonesian Foreign Secretary announced: 'Confrontation goes on, crush "Malaysia" continues to be Indonesia's policy . . . and will even be intensified. Indonesian volunteer

[4] *The Times*, 22 June 1964.

guerrillas will continue their struggle in North Borneo as Indonesia's determined answer to neo-colonialist subversion and encirclement tactics.' His words were followed by renewed insurgent activity and the heaviest attack on security forces in eastern Malaysia since border clashes had begun fifteen months previously. In Jakarta, Soekarno secured promises for continuing aid, arms, and support for confrontation against Malaysia from the Soviet Deputy Premier, who returned to Moscow hardly enlightened as to whether Indonesia would support his country's attendance at Algiers the following year.

Malaysia now sought after diplomatic solace. She derived some comfort from the assurance to the Tunku of 'sympathy and support in his efforts to preserve the sovereign independence and integrity of his country' by the Commonwealth Prime Ministers' meeting in London in July. But this communiqué offered little of real substance and, during their discussions, genuine support appeared to come only from the older Commonwealth members. In the same month, in Washington, the Council of the ANZUS Pact pledged assistance to Malaysia in the event of her territorial integrity being violated. The significance of this offer became apparent when the Tunku journeyed to Washington from London. The United States is the senior member of the ANZUS Pact and its military underpinner, but President Johnson expressed only mild support for Malaysia's position. The only positive gain in the final communiqué was a routine offer 'to provide military training in the United States for Malaysian personnel and to consider promptly and sympathetically credit sales, under existing arrangements, of appropriate military equipment for the defence of Malaysia'. In general, at a time when insurgent activity had been greatly intensified along her borders, Malaysia seemed less than successful in soliciting firm expressions of support. And to add to her difficulties, serious inter-racial clashes broke out in Singapore during July[5] (with a recurrence in September) which Indonesian radio broadcasts sought to aggravate.

It is possible that Malaysian diplomatic failure and the prospect of even more serious communal disturbances, plus the desire to test the degree of anti-national feeling within mainland Malaya led the Indonesian Government to increase the scale of military confrontation. Following the establishment of Malaysia, Indonesian-inspired activity ceased to be confined to Sabah and Sarawak but took the form of terrorist bombings and sabotage attempts, primarily in Singapore.[6] However, in the middle of August 1964, armed intruders, in three groups, were landed by sea on the west coast of the state of Johore. This was followed, at the beginning of September, by a paratroop drop from Indonesian military aircraft.

[5] For an account of this episode, see 'Communal Violence in Singapore' by the present writer, in *Asian Survey*, October 1964.

[6] See *Indonesian Aggression against Malaysia*, Ministry of External Affairs, Malaysia. Kuala Lumpur, 4 July 1964, pp. 125–8.

The initial landings took place on the anniversary of Indonesian independence which, no doubt, satisfied a certain lust for symbolism. Apart from inspired newspaper talk about the prospect of retaliation, the Malaysian reaction was to report the first landings to the U.N. Security Council but, following the paratroop drop, Malaysia's permanent representative requested an urgent meeting of the Council to consider this act of 'blatant and inexcusable aggression against a peaceful neighbour'.

The Security Council debate and the Cairo Conference

A Foreign Ministry spokesman in Jakarta had denied the fact of the paratroop landing but this position was not maintained at the U.N. In presenting his country's case, Indonesia's Deputy Foreign Minister, Dr Sudjarwo, made no attempt to deny the Malaysian charges but said much to lend substance to them. 'I would not deny that our volunteers, our guerrillas with the militant youth of Sarawak and Sabah, some of whom have been trained in our territory, have entered so-called "Malaysian" territory in Sarawak and Sabah. They have been fighting there for some time. This is no secret. . . And now fighting has spread to other areas in "Malaysia", such as Malaya.'[7] Indeed, the Indonesian spokesman went on to argue, by implication, that as 'independent and sovereign "Malaysia" has never existed for us', the acts complained of could hardly come under the heading of aggression.

During the sessions the Ivory Coast and Morocco sought, without success, to produce a draft resolution which would be mutually acceptable to both Malaysia and Indonesia. However, Indonesia's apparent disregard of the canons of the U.N. Charter led eventually to a 7–2 vote in favour of a Norwegian draft, which *inter alia* deplored the incident which formed the basis of the complaint and called upon the parties to refrain from all threat or use of force and to respect each other's territorial integrity and political independence. The two negative votes included that of the Soviet representative, who exercised his country's veto power and so prevented the adoption of the resolution. For Malaysia's part, the vote was the maximum expression of support she could have hoped to achieve given the composition of the Council; the other negative vote was cast by Czechoslovakia. The outcome of the Security Council debate marked a considerable victory in the wider diplomatic battle, as Indonesian intrusions on the Malayan mainland were not lent the sanction of an equivocal resolution. In particular, Malaysia valued the support of the two African non-permanent members of the Council; this was readily forthcoming when the virtual admission of Indonesian aggression shifted the Ivory Coast and Morocco from an initial neutral position. For Indonesia,

[7] *Malaysia's Case in the Security Council.* Documents reproduced from the official records of the Security Council proceedings. Ministry of External Affairs, Malaysia. Kuala Lumpur, 1964, p. 15.

the resolution and the vote on it were an undoubted disappointment and must be considered as one of the key factors that led later in the year to withdrawal from the world organization.

After her failure to convince the U.N. Security Council, Indonesia sought to profit from the second conference of non-aligned countries held in Cairo in October. In view of Malaysia's being refused admission to the conference proper, the way seemed clear for Indonesia to present her case without let or hindrance. Two factors, however, gravitated against her success. First, President Soekarno sought to impose his concept of New Emerging Forces, i.e. the division of the world into two camps, as the keynote of the conference, and also to denigrate the notion of peaceful coexistence. His one-sided fulminations against imperialism and his apparently secondary interest in economic development succeeded only in alienating the principal apostles of non-alignment—Egypt, India, and Yugoslavia. And in the Final Programme of the conference, he failed to find satisfactory endorsement of confrontation against Malaysia. Indeed, it declared *inter alia* that States should not use or threaten force against the territorial or political integrity of other States and that the established frontiers of States should be inviolable.[8] Indonesia made less than expected impact at Cairo and, as an indication of his displeasure, Soekarno did not appear to sign the Final Programme. At a less significant level, members of the Malaysian External Affairs Department, armed with typewriters and duplicating machines and working on the periphery of the conference, showed themselves at least the equals of their Indonesian counterparts in propaganda techniques.

The Cairo conference may come to be seen as a turning-point in Indonesia's efforts to obtain international endorsement of confrontation. President Soekarno's speech at the conference was entitled 'The Era of Confrontation', but it failed to touch many chords of sympathy. At the same time, the change in the order of military confrontation brought further diplomatic loss. President Macapagal, whose close association with Soekarno, partly to pursue the Philippine territorial claim, had lent cover to Indonesian transgressions, felt forced to speak out against the landings on the Malayan mainland. During a visit to Washington early in October, where he was possibly persuaded by his hosts, he deplored these events, although significantly omitting mention of Indonesian-inspired actions in the Borneo territories. Meanwhile, in November Tun Razak, the Malaysian Deputy Prime Minister, appeared to make substantial headway during a visit to countries in North Africa.

Indonesia leaves the U.N.

On 30 December 1964, by means of an informal voting procedure in-

[8] See 'The neutrals and the Afro-Asians' by G. F. Hudson, in *The World Today*, December 1964.

stituted to avoid a Great-Power clash over the payment of assessments for U.N. peace-keeping operations, Malaysia was installed for one year as a member of the Security Council. This fulfilled the second half of a gentlemen's agreement between Britain and the Soviet Union which had initially allowed Czechoslovakia to serve the first part of the normal two-year term. Indonesia had voiced her objections to Malaysia succeeding Malaya in the U.N. in the autumn of 1963 but had found no support in the credentials committee for this viewpoint. However, on 31 December 1964 Soekarno announced that Indonesia would leave the U.N. should Malaysia be seated as a member of the Security Council. This announcement seemed to represent an expression of Indonesia's frustration at her inability to make the U.N. serve her own ends. Annoyance with the Secretary-General for confirming that the ascertainment in Sabah and Sarawak had demonstrated that the people there welcomed their incorporation into Malaysia, disappointment with the outcome of the debate on Malaysia's complaint in the Security Council, and, finally, the seating of Malaysia in the Security Council were too much for Soekarno to tolerate. He therefore reacted in impulsive inconsequential manner to salve what he felt was a clear affront to personal and national pride. The decision to depart was formalized verbally on 7 January 1965, and on 20 January by letter, with an explanation of Indonesia's decision in terms of 'this international body being manipulated by colonial and neo-colonial Powers'.

Indonesia did not receive any endorsement of her action from within the world body; on the contrary, many Afro-Asian countries expressed their strong disapproval. Any expectation of a stampede of Afro-Asians from the U.N. in the wake of Indonesia was not fulfilled, and she therefore sought consolation and support from the only quarter possible, namely, the Chinese People's Republic.

From Bandung to Algiers

The most important speech of the Indonesian political year is that given by President Soekarno every 17 August to commemorate the proclamation of independence in 1945. Last year this address was entitled, in a mixture of Indonesian and Italian, *Tahun Vivere Pericoloso* (A Year of Dangerous Living) and was full of the romantic cant that one has come to expect from Soekarno. It also included the suggestion that the British Government should act realistically and liquidate Malaysia in return for compensation for confiscated assets.[9] During the speech, the President remarked: 'As for international problems, I think the most important is the forthcoming Second African-Asian Conference. We will be happy as

[9] In his Heroes' Day speech of 10 November 1964, Soekarno made the same point: 'The imperialists are very stubborn. When we were struggling for our independence we could see the stubbornness of the Dutch. Look at the situation now, the Dutch have come back to us and Indonesian-Dutch relations are good.'

many as possible [*sic*] revolutionary-progressive forces gather in this African-Asian Conference.' He then introduced a note of anxiety: 'I hope that the question of participants in the African-Asian Conference does not cause a rift among progressive revolutionary forces. I should be very worried to see dissension within the progressive revolutionary bloc as this would harm the solidarity among the forces opposing colonialism and imperialism.' Soekarno was no doubt concerned that a dispute over the Soviet Union's desire to attend the conference and the Chinese People's Republic's determination to exclude her would spoil the occasion and distract attention from Indonesian priorities. At the preparatory meeting of Ministers held in Bandung in April 1964, consensus was not reached on the proposal to extend an invitation to the Soviet Union. The Indonesian President must also have experienced concern at the possibility of Malaysia's attending the conference. The communiqué at the preparatory meeting had made reference to this prospect. It stated: 'It was also proposed that an invitation be extended to Malaysia. In this case, it was hoped that the obstacles which prevented reaching a consensus on the invitation would be eliminated. In this case, an invitation should be extended as soon as possible. Some countries that recognize Malaysia stated their position that Malaysia was fully entitled to an invitation and should be invited.'

Since her withdrawal from the United Nations, Indonesia has been engaged in feverish diplomatic activity in an attempt to effect Malaysia's exclusion from the forthcoming Algiers meeting. Success in this enterprise could be used to try to depict Malaysia as an Asian pariah without legitimate international standing. Support for exclusion can be expected from Communist China and North Korea (neither Vietnam will be attending), and probably from African States such as Mali, Guinea, and Congo (Brazzaville). There is also a likelihood that countries like Pakistan, Cambodia, and Ghana would not oppose exclusion. Much will depend on the procedure to be adopted for admission. The Indonesians would like to see the strict application of their notion of *mufakat*, whereby complete unanimity would be necessary to extend an invitation. This could be an embarrassment, however, in view of the intention of the Soviet Union to seek admission. But if the Indonesians can collect a small but significant group of negative votes, then they might, with greater plausibility, be able to employ a looser interpretation of the *mufakat* principle to their advantage.

Malaysia is also engaged in great diplomatic activity to solicit support for her candidature, in the expectation that it will be possible to gain entry through a majority vote of Afro-Asian Foreign Ministers meeting prior to the conference proper. It was probably to this end that, in an apparent demonstration of good faith, the Tunku agreed in April 1965 to a Japanese suggestion that he meet once again with Soekarno in Tokyo. Malaysian

exclusion from the Algiers Conference would certainly mark a diplomatic success for Indonesia. And Malaysia's failure to gain admission to the fourth Afro-Asian Solidarity Conference held in May in Ghana must encourage this expectation. However, exclusion at Algiers need not produce an outcome in any way satisfactory to the Indonesian Government. Although the composition of the meeting will be different from that in Cairo, especially with the presence of Communist China, the majority of the participants, if unwilling to press the inclusion of Malaysia, may refuse to be associated with bellicose blanket resolutions aimed in Malaysia's direction. A recent example of such an occurrence was during the Afro-Asian Islamic Conference held in Bandung in March 1965, from which Malaysia was inevitably excluded. A draft resolution by Indonesia and Communist China seeking to condemn Malaysia found very little support indeed. Meanwhile, Afro-Asian countries are beginning to tire of Indonesian attempts to lead their ranks. The celebrations in Jakarta in April 1965 to commemorate the tenth anniversary of the Asian-African Conference held in Bandung in 1955 did not bring the expected influx of internationally known Afro-Asian names. And attempts to turn the occasion into an anti-Malaysian festival seem to have misfired.

The NEFO concept

The dominant ideological theme in Indonesian foreign policy is the concept of the New Emerging Forces (NEFO) which in Soekarno's words 'encompass the trinity of the socialist States, the newly independent States, and the progressive forces within the capitalist States'. These are posited as the wave of the future ranged against the Old Established Forces (OLDEFO) of neo-colonialism, colonialism, and imperialism (NECOLIM). In his 17 August speech in 1964, Soekarno spoke of Indonesia's desire to convene a conference of the New Emerging Forces—a CONEFO. He made reference to efforts to hold such a conference in his Heroes' Day speech on 10 November 1964. There would seem no reason to doubt that, as in Cairo, Soekarno will try to use the occasion of the Algiers Conference to gain wider acceptance of the NEFO doctrine and so, by definition, place Malaysia among the pejorative OLDEFO. If, as in Cairo, he fails in this endeavour, then the world may well see a demonstration similar to Indonesia's withdrawal from the U.N. Indonesia may come to denounce the African-Asian Conference for its shortcomings and call for its 'retooling'. Should this occur, then one might also expect to see a CONEFO convene to be dubbed in its place the legitimate heir of the Asian-African Conference held in Bandung in 1955. Such a body could even become what Chou En-lai described during a dinner for the Indonesian Foreign Minister in Peking in January 1965 as 'another United Nations, a revolutionary one . . . [where] rival dramas may be staged with that body which calls itself the United Nations'.

It is, of course, dangerous to speculate on the future course of international events and, in the case of a so-called revolutionary United Nations, the Peking regime, with an ever-increasing prospect of assuming a permanent place in the Security Council, might be wary of joining a forum for the frustrated. Yet when he was in Jakarta for the Bandung Conference anniversary, Chou En-lai was reported as saying that his country would no longer insist on being enrolled as a member of the U.N. now that Indonesia had left the organization. 'Instead we are now considering the creation of a new world body which is progressive and revolutionary in nature.'[10] Indonesia has also given cause to expect revolutionary acts should her chosen path be obstructed. In the case of confrontation with Malaysia she has not had any success, so far, in changing the *status quo* through direct negotiations, military action, or internal subversion.[11] And progress on the wider diplomatic front is still in doubt. But with the example of the West Irian campaign as a guide to future action, there is the prospect that she still hopes to influence the United States, and through her, Britain, to abandon the commitment to Malaysia. One way of attempting this might be to place before the United States the alternatives of an Indonesian alignment with Communist China within a revolutionary United Nations or a settlement of the Malaysia dispute on Indonesian terms, with, of course, suitable aid without strings to sweeten the bargain.

There is a further alternative of which the Indonesian Government would seem to be aware. An editorial on 17 March 1965 in the *Indonesian Herald*, regarded as the official voice of the Ministry of Foreign Affairs, made reference to a so-called new development in the Malaysia dispute. It mentioned the growing internal dissension within the Federation, and in particular the differences between the Central Government and that in Singapore. It continued: 'In these circumstances, we would do well to sit back—keeping our powder dry—and watch the heightening confrontation inside the neo-colonialist project.' There would appear to be some doubt, however, whether a Government so committed to the romance of revolution is capable of following such advice.

[10] *The Times*, 26 April 1965—a Reuter report quoting *Antara*.
[11] An account of Indonesian subversive activity within Malaysia is to be found in *A Plot Exposed*. Cmd. [illegible] of 1965. Malaysia, Government Printing office, Kuala Lumpur.

The Bulgarian plot

J. F. BROWN

On the night of 7 April Ivan Todorov-Gorunya, a senior member of the Bulgarian Communist Party, shot himself in his Sofia flat to avoid arrest by the security police. His death marked the end of a political-military conspiracy designed to overthrow the Bulgarian regime led by Premier and First Party Secretary Todor Zhivkov.

Political conspiracies and military *coups d'état* have, of course, been staple breakfast reading since the break-up of colonial rule in most parts of the world. Had such an incident as this occurred today in Latin America, Africa, or Asia—had it occurred in Bulgaria before the second World War—it would hardly have deserved the attention it received. But it occurred in Communist Bulgaria in 1965, in a country rigidly controlled by a Party claiming to be monolithically united. It was this, therefore, that made it front-page news and the object of so much speculation. All the Communist States, it is true, have had their full share of (real or imagined) conspirators, factions, plots, traitors, etc. East Germany, Poland, and Hungary have known open rebellion. But only in Albania, in the autumn of 1960, had there been a previous case of a conspiracy aimed at seizing power through force of arms.[1] The April conspiracy in Bulgaria, therefore, was not only another indication of the weakness of the Zhivkov regime, it was a phenomenon which in Communist Eastern Europe was simply not supposed to happen.

The full story of what did happen will probably never be known in the West. The Bulgarian regime tried to belittle the episode by denying that there was any conspiracy at all. Before its own people it attempted at first to keep a strict silence. But to the rest of the world it had to acknowledge that certain people had 'broken the laws of the country' and that an inquiry into their behaviour was being held;[2] it also admitted that Todorov-Gorunya had committed suicide, having 'fallen into a state of depression

[1] At the Fourth Congress of the Albanian Party of Labour in February 1961, First Party Secretary Enver Hoxha announced that there had been a military plot against his regime the previous autumn led by Rear-Admiral Teme Sejko. Hoxha also accused the American Sixth fleet, the Greek 'monarcho-fascists', and the Yugoslav revisionists' of being implicated. In reality it was probably a Soviet-inspired plot with its centre at the Valona naval base. The essential difference between the plot and the Bulgarian conspiracy is that, whereas outside forces were involved in the former, the latter was a completely domestic affair.

[2] Bulgarian Telegraph Agency, 22 April 1965; for foreign release only.

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on learning that his criminal activity had been uncovered'. Later, however, in a speech to senior army officers broadcast by Radio Sofia on 8 May, Zhivkov himself did admit the existence of a plotting group which, he claimed, comprised no more than five adventurers completely alienated from the army, the Party, and the people.

Piecing together the bits of information which official Bulgarian sources have divulged with others which may be considered reliable, the following, incomplete, picture emerges:

1. There was indeed a conspiracy. This much was admitted by United Press International's Sofia stringer in a dispatch on 14 April. (The UPI stringer is a Bulgarian citizen whose source of income cannot solely be that provided by an American press agency.)
2. The conspiracy was uncovered during the night of 7–8 April before it had time to mature into an attempted *coup* or *putsch*; hence 'conspiracy' is a better description of what happened.
3. Three of the conspirators were: Todorov-Gorunya, Tsolo Krastev, head of a department in the Ministry of Foreign Affairs and former Ambassador to North Korea, and Major-General Tsvetko Anev, commandant of the Sofia military garrison.
4. Todorov-Gorunya committed suicide and Krastev and General Anev were arrested.
5. The conspiracy had a strongly military character.

One cannot be certain of anything more. Many other names of men said to be associated with the conspiracy were mentioned in the Western press during April. They included figures much more prominent than those definitely known to have taken part. One man persistently reported as being the chief conspirator was Colonel-General Slavcho Transki, deputy Minister of National Defence and a household name in Bulgaria through his exploits as a partisan hero in the second World War. But after a rather suspicious delay, Transki was exposed to the public view on a number of occasions, an indirect regime method of denying his complicity. Others, also named by the Western press as being implicated, have since reappeared.[2] Therefore, failing the regime's publication of the results of the promised inquiry, one can in the near future only resort to a thorough study of the Bulgarian press to note the absence of any men who could have participated in the April events. It is an exercise fraught with risk, but the only one which a closed society like Bulgaria (despite the tourism) will allow to a student of its affairs.

Meanwhile, even with the little one has to go on, a few observations and speculations may be permitted. The first is that none of the three men definitely known to have taken part—Todorov-Gorunya, Anev, or

[2] The *New York Times* of 28 April 1965 carried a report from its Sofia correspondent quoting 'high Bulgarian officials' as saying that 8 to 10 people had been arrested.

Krastev—seems important enough either to have led the conspiracy or to have headed a new regime once the conspiracy had succeeded. Krastev was a relatively minor government official; Anev, despite the sensitive nature of the post he held, was one of the least known of Bulgaria's field officers. As for Todorov-Gorunya, though he was in the top hundred in the Party hierarchy,[4] he had sufficient prestige in neither the Party nor the State apparatus to inspire or rally men for so hazardous a task.

Therefore, unless the plotters are to be dismissed as romantics or lunatics bent on self-destruction, one must assume that other, more senior persons were involved or had at least promised their backing once the first moves of the conspiracy had succeeded. And this is where the persistent and well-sourced reports about the strong military character of the conspiracy become very important and plausible. It was probably no coincidence that Todorov-Gorunya and General Anev had one notable thing in common. They had both been in the same partisan detachment, the 'Gavril Genov' detachment, during the second World War. (The 'Gorunya' suffix to Todorov's name was a partisan appellation, unfortunately meaning 'Pig'.) Anev was the commander of the 'Genov' detachment and Todorov-Gorunya its political commissar.

In view of his public appearances since the uncovering of the conspiracy, the name of General Transki must, at least provisionally, be removed from the list of suspects. But the strong probability of involvement by some senior army officers lends an added significance to the partisan background of Todorov-Gorunya and Anev. Historically, the army has always been an active, sometimes a decisive factor in Bulgarian politics. Though not a militaristic nation in the accepted sense, the Bulgarians have always accorded their army a special and honoured status among national institutions. This, and the awareness that it was often the most stable element in an unstable situation, has led the army to intervene on several occasions since the liberation from the Turks in 1878. Notable cases of this were in 1886, 1923, 1934, and, of course, on 9 September 1944 when the pro-German Government was overthrown.

In the Communist period the Bulgarian army has passed, first through a period of intensive Sovietization, and more recently through a phase which can be called one of mild 're-Bulgarization'. Sovietization began immediately after September 1944 and continued at least up to 1956. Russian-trained Bulgarian officers replaced not only the 'bourgeois-republican' officers who had initially been prepared to support the post-war Government, but also the Communist partisan commanders who had distinguished themselves in the war. Since 1960, however, it has become very noticeable that the partisans were at last beginning to come into their own, quietly but steadily replacing the older Soviet-trained com-

[4] At the last Bulgarian Party congress in November 1962, 101 full members and sixty-seven candidate-members of the Central Committee were elected.

manders in most of the important military posts in Bulgaria. One reason for this may simply have been that the pre-war Frunze Academy graduates were getting on in years and that the only suitable replacements for them were the partisans, many of whom were still in their early fifties or even younger. Another, more intriguing, explanation is that Zhivkov, never fully sure of a safe block of support within the Communist Party itself, sought to buttress his position by creating a coterie of army commanders loyal to himself and independent of the vicissitudes of Party factionalism. Zhivkov himself is a former partisan commander and may have counted on the devotion of these men, not only because he had brought them out of their long period of obscurity but also because they shared with him a similar background and experience.

But, if this is true, Zhivkov was playing with fire. He was making praetorians out of centurions or, to bring the analogy closer to home in both time and place, creating a body of janissaries to whom he looked for future loyalty in return for present favours. His move and its motive were not only an interesting commentary on a supposedly totalitarian society where the Party is supreme; they showed a naïve tendency to ignore an important fact in the history of many countries, including his own. Such men, so elevated, seldom have scruples about biting the hand that feeds them and, in the case of the partisan commanders in Bulgaria, there was a particularly pressing reason why they should feel no sense of obligation towards their benefactor.

Todor Zhivkov should be an object lesson to those who think that home-trained Communists must necessarily be less pro-Soviet than those who have been trained and indoctrinated in the Soviet Union itself. No 'muscovite' in the darkest days of Stalinism was ever as obedient as the local born and bred Zhivkov. At a time when practically every other Communist State in Eastern Europe is seeking some loosening from the bonds with Moscow, Zhivkov seems intent, either through his own volition or from necessity, to make Bulgaria into a caricature of a satellite. But there is good reason to believe that this policy of complete subservience was strongly opposed by many of the partisan officers and that, in their opposition, these officers were joined, for a variety of reasons, by many other members inside the Bulgarian Communist Party.

The Bulgarian Party has been ridden by factionalism both before and since coming to power. Since 1945 there have been two main periods of factional struggle: 1945 to 1949, and 1956 to the present. In the first postwar phase, the struggle was the classic one between the 'home' Communists and the 'muscovites'. Traicho Kostov, the 'home' Communist leader, was executed in 1949 and his supporters, among whom were many of the now rehabilitated partisan commanders, were either killed, imprisoned, or intimidated. Valko Chervenkov, the Sovietized brother-in-law of Georgi Dimitrov, became Bulgaria's 'little Stalin' and concentrated

all power in his hands. The Chervenkov period lasted from 1950 to 1956. In March 1954, in deference to the campaign against the personality cult after the death of Stalin, Chervenkov was obliged to give up the post of Party leader to Zhivkov, then barely over forty and a man always considered as one of his protégés. This, however, did not affect his real power. He remained Prime Minister and easily the most powerful man in the regime. During his seven-year period of rule, such was Chervenkov's authority that all factionalism was submerged. The Party hierarchy was packed with his 'Stalinist' supporters and a period of calm prevailed.

The denunciation of Stalin by Khrushchev in 1956 soon made Chervenkov's position untenable. At the famous April 1956 plenum of the Bulgarian Party's Central Committee, he was ousted as Premier and replaced by Anton Yugov, one of his bitterest enemies, a former associate of Traicho Kostov who had gone into eclipse after 1950.

The demotion of Chervenkov caused the old factionalism to reappear and to take on new dimensions. The parts were once again set against each other because no man was powerful enough to stamp his authority over the whole. Broadly speaking, four factions emerged. They were:

1. The Chervenkov faction. For the first few years after 1956 this was, numerically, still the strongest faction, since the Party apparatus remained mainly in the hands of men who had been chosen by Chervenkov. As for Chervenkov himself, he was still a Politburo member and a deputy Premier and remained the most outstanding figure in the Party. His faction was essentially 'Stalinist', pro-Soviet by inclination but completely out of sympathy with Khrushchev and his reformism.
2. The Zhivkov faction. This may be called the 'official' faction. Though Zhivkov in his first years as Party leader was little more than a figurehead, he steadily began to enlarge his support, aided by the power of patronage which his position gave him. Zhivkov's strength lay mainly at the top of the Party hierarchy, although his real prop was Khrushchev. This faction, therefore, was pro-Soviet in that it was pro-Khrushchev. Even more correctly, it was pro-Kremlin since Zhivkov depended on whoever was leader in Moscow to stay in power.[5]
3. The Yugov faction. The hard core of this faction was never very large. Premier Yugov quickly set about building up his own following and, being essentially an opportunist, was prepared to swim with any current in order to gain strength. Thus at different times he seems to have played on both 'Stalinist' and 'nationalist' feeling to try to increase his following.

[5] It was noticeable that, apart from the special case of the Rumanian, the Bulgarian regime was the only one in Eastern Europe which did not give even a parting nod to Khrushchev when he was ousted in October 1964.

4. A 'reformist'/'nationalist' faction. This has always been a large but ill-defined group, lacking any real cohesion and hence hardly deserving the name of faction. What prompted these people was a dissatisfaction over either the slow progress of internal reform or Sofia's subservient attitude to Moscow, or both. Politburo member Georgi Chankov, a man of real ability and personality, evidently tried to exploit such sentiment immediately after 1956 and seemed to be trying to force through a greater measure of internal reform and a greater degree of independence *vis-à-vis* Moscow on the Tito model. But he and his two main supporters, Dobri Terpeshev and Yonko Panov, were purged in 1957.

In the years after 1956 Zhivkov, with the aid of Khrushchev and through his own power of patronage, was able to strengthen his position and to eliminate one rival after another. He had Chankov dismissed in 1957; in the wake of the 22nd CPSU congress, he had Chervenkov expelled from the Central Committee; at the eighth Bulgarian Party congress in November 1962, Premier Yugov was dramatically disgraced.

But Zhivkov's victory was still far from complete. Despite his success in eliminating his main rivals he still could not count on Party loyalty. The middle and lower Party officials were not reconciled either to him or his policy. Nor could he count on the implicit loyalty of the top layer which, though appointed by him, would not necessarily stand by him, especially if he became something of a liability. And this is precisely what Zhivkov did become. Bulgaria's economic situation has deteriorated steadily in recent years and this has caused an even greater dependence on Moscow. In practically no branch of public policy can Zhivkov show any real success and, as his weakness became more palpable, so his need of his great defender, Khrushchev, became more and more obvious. Therefore, when the palace revolution took place in Moscow, it must have occurred to many that it was high time something similar happened in Sofia. It was almost certainly the removal of Khrushchev in the Soviet Union last October which prepared the ground for the conspiracy in Bulgaria this April.

Just what the conspirators were hoping to achieve is difficult to say. Conspiracies or revolutions are usually made by men prompted by a whole variety of motives and united only by a desire to change the existing order. For some years now in Bulgaria there have been several disaffected groups. There are the 'Stalinist' *apparatchiks* whose authority has been threatened by the all too slow, but perceptible, relaxation in public life and whose personal positions are jeopardized by the growing need for more well-trained officials to govern a modern industrial State. There are the growing ranks of intellectuals and of the intelligentsia who see themselves on the threshold of power but still being allowed to enter it far too slowly. There are the 'liberals' or 'revisionists' impatient at what

they consider the snail-like progress of reform. There are the nationally oriented Communists angered and humiliated at Zhivkov's servility to the Soviet Union at a time when almost every other country is asserting some independence or displaying some autonomy. There is the large number of responsible citizens thoroughly alarmed at the pass to which Zhivkov's incompetence has brought the country. Finally, there is the much enduring population which has had to bear the brunt of all the mistakes and all the oppression and which must be particularly exasperated with Zhivkov, who has promised so much and given so little. This is a population, by the way, whose Russophilism has often been exaggerated. It has certainly never extended to the obsequiousness towards Russia practised by its regime in recent years. Some ninety years ago Liuben Karavelov wrote: 'If Russia comes to liberate, she will be met with great sympathy; if she comes to rule, she will find many enemies. . .' Twenty years ago Russia, the liberator for the second time, *was* met with great sympathy; now much of that sympathy has turned sour.

The Bulgarian regime has evidently been at pains to drop unofficial hints abroad that the conspiracy was 'pro-Chinese'.[6] This, of course, is a convenient stick to beat any dog with, and the accusation need not be taken too seriously. Just how much genuine pro-Chinese sympathy there is in the Bulgarian Party is very hard to tell. Probably there are a few die-hards or classic Communists who regard everything that has happened in the Soviet Union and Eastern Europe since 1956 as a perversion of the true creed and who are fascinated by the dazzling militancy of Peking. Such men would be anxious to form a regime which would openly side with Peking in the Communist world schism. But one may assume that they are relatively few. The greatest part of what sympathy there exists for China in Bulgaria is probably of the 'rebound' variety. There is great hostility towards Zhivkov on the part of the dogmatists, or 'Stalinists', for the reasons mentioned above. Zhivkov was the creature of Khrushchev; the Chinese were the enemies of Khrushchev; therefore, there is sympathy for the Chinese. Of course, though this sympathy may come by rather a circuitous route, its importance should not necessarily be overlooked. The sympathy of the Albanian regime for China probably did not originate out of any genuine support for Mao's philosophy. It arose mainly out of a concern for self-preservation in the face of the Soviet-Yugoslav *rapprochement*. One should not, therefore, ignore this type of 'rebound' support for China, but it should not be confused with genuine support on doctrinal or (as in the Albanian case) on national grounds, and its causes should be sought in the internal Bulgarian scene.

If the various disaffected groups in Bulgaria had any common denominator it probably lay in dissatisfaction over the regime's subservience to the Soviet Union. This was one issue, the only one, on which the

[6] See, for example, the UPI dispatch of 14 April 1965.

'Stalinist' lions could lie down with the 'revisionist' lambs and on which the predominantly nationally oriented Communists, such as the former partisan commanders, could give a lead. There are certain similarities between what happened in Sofia this April and a situation which developed just over four years ago, at the beginning of 1961. At that time there were rumblings of very serious discontent inside the Bulgarian Party. At the core of the dissension were Dobri Terpeshev and Yonko Panov, who along with Georgi Chankov had been expelled from the Central Committee in 1957. Terpeshev, Panov, and one Nikola Kufarzhiev—all three former partisans—were accused of fractional activities, of conspiring like 'black night birds in the dark corners of coffee houses', and of having 'sold themselves to the foreign agency which encouragingly taps them on the shoulder'.[7] The warnings against these 'fractionalists' were accompanied by the loudest protestations of fealty to the Soviet Union, 'the most important guarantee of our national independence'.[8] Terpeshev and Panov were men of similar background and outlook to General Anev and Todorov-Gorunya, and just as it is not difficult to identify Yugoslavia as the 'foreign agency' to which the 1961 'conspirators' looked, neither is it difficult to imagine that their more desperate counterparts in 1965 saw Belgrade as a model which Sofia could follow in its relations with Moscow. Similarly, as in 1961, so in 1965 the unmasking of the plotters was accompanied by almost frenzied exhortations to even more devotion to the U.S.S.R. and the CPSU.[9]

It is easy to see how a genuinely national Communist movement in Bulgaria might at first glance be dubbed 'pro-Chinese'. In Eastern Europe national Communism implies something anti-Soviet, particularly in a country so dominated by the Soviet Union as Bulgaria, and anti-Sovietism, at this juncture, could easily be equated with pro-Chinese sympathy. For practically the whole of the 1950s national Communism implied pro-Yugoslav sentiment or, at least, a Titoist orientation. Now, however, in its more strident form it has ceased to do so because of the Yugoslav-Soviet *rapprochement* and because Tito, in the interest of his relations with Moscow, is not anxious to associate himself too closely with independence movements in Eastern Europe. And yet if, as seems probable, the April conspiracy in Bulgaria was nationally oriented, what the conspirators were probably aiming at was a Communist Bulgaria with the same kind of relations with the Soviet Union as Yugoslavia, Rumania, or even Poland have.

In wanting this the conspirators were only swimming with the tide, a tide which Zhivkov seems determined to resist. In doing so, however, he is beginning more and more to resemble Mrs Partington and her mop.

[7] See *Partien Zhivot*, March 1961. [8] *ibid.*
[9] For example, see speech by Central Committee Secretary Nacho Papazov commemorating Lenin's ninety-fifth birthday; *Rabotnichesko Delo*, 23 April 1965, and the May-Day stress on Bulgarian-Soviet friendship; *New York Times*, 2 May.

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Notes of the month

Turning-point in Soviet agriculture?

DURING the last five years or so, Soviet economic growth, and especially the growth of agriculture, has slowed down. This was admitted by the First Secretary of the Central Committee of the CPSU, Leonid Brezhnev, at the Party Plenum held in March this year. In criticizing the unsatisfactory development of agriculture under his predecessor, he stated that agricultural output had grown in the last five years by only 1·9 per cent per annum, as compared with 7·6 per cent per annum in the preceding five-year period. The Plenum was devoted mainly to agriculture, and Brezhnev's highly critical speech, putting forward numerous reforms, suggests that the new leadership is very worried by the agricultural lag and its dragging impact on the whole economy, and has determined to deal with it decisively.

The annual percentage growth of gross agricultural output given below, as worked out from official Soviet statistical reports, illustrates clearly the decelerating trend in the last five years and roughly corresponds to Brezhnev's averages. Some Western observers consider Russian official agricultural output statistics to be exaggerated, to a greater or lesser extent, but since they are used here only to illustrate the trend no downward adjustment has been made.

GROSS AGRICULTURAL OUTPUT[1]
(preceding year as 100)

1954	*1955*	*1956*	*1957*	*1958*	*1959*	*1960*	*1961*	*1962*	*1963*	*1964**
104·8	111·1	113·5	102·1	110·7	100·5	102·3	102·7	101·3	92·1	112

[1] Source: all the figures in this Note, if not otherwise stated, are taken from *Soviet Statistical Yearbooks: Narodnoe khozyaistvo.*

* The figure for 1964 is taken from *Pravda*, 30 January 1965.

This rate of growth, and even last year's favourable output, was very much below the Seven-Year (1959–65) Plan targets which envisaged an increase of 70 per cent: the growth achieved by 1964 was only 10 per cent. To disaggregate the gross agricultural output and look at grain statistics alone, the 1956–60 Five-Year Plan (abandoned in 1958) aimed to produce 180 million tons of grain by 1960. The Seven-Year Plan originally envisaged the output of grain in 1965 as 164–180 million tons. The actual

output and State purchases (procurements) (in million tons) were as follows:

	1956	1957	1958	1959	1960	1961	1962	1963	1964
Output	125·0	102·6	134·7	119·5	125·5	130·8	140·2	107·5	120*
Procurements	54·1	35·4	56·6	46·6	46·7	52·1	56·6	44·8	68·2

* Estimated.

What are the main causes of this disappointing performance? Brezhnev (without naming him) puts a lot of the blame on Khrushchev personally: on his agricultural policy, his preference for administrative as opposed to economic means to achieve desired changes and to improve the situation, and his constant interference with the management of agriculture. The indiscriminate favouring of maize was attacked, particularly Khrushchev's insistence on expanding maize even in those areas which were hardly suitable for its growth. These excesses will now be stopped. However, Brezhnev gave a warning against going to the other extreme and waging a campaign to stop the growing of maize even where it is very profitable to do so. In this context, he pointed to the harmful effects of various other campaigns and policies launched by Khrushchev which had led to excesses; for example, the campaign to increase the size of *kolkhozy* (collective farms) and *sovkhozy* (State farms)—*gigantomania*—which resulted in some of them growing to unmanageable dimensions. Khrushchev's division of the Party in 1962 into industrial and agricultural committees has also been reversed by the present leaders, and Territorial Production Committees have apparently been recently reunited with their industrial counterparts. This should end the previous confusion resulting from the separation of two otherwise closely related sectors, industry and agriculture.

The new leaders have also reversed the harmful policy which discriminated against the private sector of agriculture, the private plots of peasants, workers, and employees. This discrimination was pursued in spite of the continued importance of the private sector's share in the production of some crops.[2] In 1963, for instance, 23·8 per cent of all field crops and 45·6 per cent of livestock products were produced on private plots occupying only about 3·1 per cent of the total arable land. The surpluses procured by the Government from private plots were much smaller, however. In 1962 they contributed to total government procurements as follows (figures in brackets indicate the share in production): 26 per cent (70 per cent) of potatoes, 7 per cent (42 per cent) of vegetables, 14 per cent (44 per cent) of meat, 5 per cent (45 per cent) of milk, 34 per cent (76 per cent) of eggs, and 15 per cent of wool.

The impact of increased taxation on the holding of livestock and the forbidding of some persons to keep livestock at all, coupled with the ever-

[2] See G. Shmelev in *Voprosy ekonomiki*, 4/65.

decreasing allotment of fodder, resulted in a marked drop in livestock holding by private persons. To take cows, as an example: in 1959, out of the total number of 33·3 million kept by *sovkhozy*, *kolkhozy*, and the private sector, 18·5 million were in the hands of the private sector. By 1964, however, out of the total of 38·5 million, the figure for the private sector had dropped to 16 million. With regard to livestock, the private sector is important not only for the production and marketing of its products but also as the reserve stock from which *kolkhozy* can purchase replacements if necessary.

Because of the restrictions on the private sector, its sales of foodstuffs on the *kolkhoz* market have fallen, while prices have increased due to the insufficient supply. This is shown in the table below.[a]

KOLKHOZ MARKET
(1952 = 100)

	1958	*1959*	*1960*	*1961*	*1962*	*1963*
Sales (volume)	96	93	87	86	87	76
Price index	94	92	93	100	106	110

In the same period prices of foodstuffs in government retail trade declined by 8·5 per cent.

The main idea behind the curtailment of private plots, especially those of the *kolkhozniki*, was the hope that this would induce the owners to spend more time working for the *kolkhoz*. But as the same source shows, using working-time budget survey data, the squeeze resulted in the output of private plots of *kolkhozniki* falling between 1959 and 1962 by only a few points, while working time spent on producing this smaller output increased by 5 per cent. The same source argues that a lot of work on private plots is done by non-*kolkhoz* labour, namely, by the wives and children and the retired *kolkhozniki*, and that the different crops produced demand very intensive labour. Time spent on private plots is, therefore, complementary to, rather than competitive with, that spent on *kolkhozy*. The principle behind the theory of the eventual 'withering away of private plots' is that this will occur only after *kolkhozy* have developed sufficiently to provide the *kolkhozniki* with income and products (such as milk) equivalent to their present benefits from private plots. In only a few *kolkhozy*, at present, have *kolkhozniki* voluntarily handed over their cows to the *kolkhoz* and come to rely on it for a regular supply of milk and dairy products.

The restrictions on keeping animals on private plots in rural as well as in urban areas have now been repealed; the *kolkhoz* Statute (unchanged since 1936) is to be revised and the right to a specified size of plot and number of animals stated. For those *kolkhozniki* and workers and employees in rural districts who wish to buy a cow, credit of 300 rubles will

[a] *Vop. ekon.*, 4/65, p. 31.

be given (150 r. for a heifer) repayable in five years on easy terms.[4] Furthermore, *kolkhozniki* who work well will be given help by *kolkhozy*—presumably the use of *kolkhoz* machinery, a sufficient supply of fodder, etc.

However, the reforms dealing with the private sector are not as important as other more fundamental and radical changes which are now being introduced; the former could alter only marginally, if at all, the position of agriculture *vis-à-vis* industry.

One of the main causes of agriculture's continuous lagging behind industry is that it has been constantly treated as a non-priority sector. In spite of this discrimination against it, however, agriculture has continued to contribute to the development of other branches of the economy; M. Terentiev estimates that this has amounted in recent years to 8–9 milliard rubles per annum.[5]

Discrimination against agriculture has been shown in various ways: in insufficient allocation of investment resources, the government procurement system, the taxation system, the treatment of *kolkhozniki* as 'second-class citizens', and so on. Let us look first at the insufficiency of investment. To quote Brezhnev: in the five-year period 1954–8, State investment in agriculture amounted to 11·3 per cent of total State investment in the economy, while the Plan for 1959–65 provided for only 7·5 per cent (*kolkhoz* investment should be added to this to arrive at the grand total of investment in agriculture). If contrasted with agriculture's share in the national income (Soviet definition) estimated at roughly 22 per cent, the inadequacy becomes even more apparent. The 1959–65 Plan envisaged a total investment in agriculture of 50 mlrd r. or about 7·1 mlrd r. per annum. The realized investment in absolute figures was lower: in 1959, 5·5 mlrd r., in 1960, 5·2 mlrd r., in 1962, 6·3 mlrd r., and in 1963, 6·9 mlrd r. This underfulfilment was mostly due, however, to the slowing rate of growth of the economy as a whole; in relative terms, i.e. percentages, actual investment was higher than the planned average of 7·5 per cent.

But as a result, agriculture received less in absolute terms in the way of machinery, irrigation and improvement work, and fertilizers than in previous years; and this falling-off has certainly not helped the building of much-needed roads to connect out-of-the-way *kolkhozy* with the market. Soviet statistics on the delivery of agricultural machinery confirm this. Of the twelve types of agricultural machinery, supplies of eight types were lower in 1963 than in 1957, that of three types increased very moderately, while only the supply of tractors increased substantially. (It is interesting to note, however, that while the supply of tractors increased from 258,200 in 1957 to 437,700 in 1963, the supply of all attachments to tractors, especially of sowing and cultivating attachments, dropped markedly; the sole exception was a slight increase in the supply

[4] *Sovetskaya yustitsiya*, 6/65. [5] See *Vop. ekon.*, 4/65, p. 13.

of ploughs.) The supply of trucks fell from 125,300 in 1957 to 68,800 in 1963, that of grain combines from 133,700 to 79,600, and that of harvesters from 184,000 to 60,000.

The production of fertilizers and their supply to agriculture have also been quite inadequate, especially for particular non-priority regions. One Soviet economist complains that, due to the lack of capital improvements and a shortage of fertilizers, yields have been very low on about 20–30 million hectares of arable land.[6] According to him, in the north-west and non-Black-earth regions of the RSFSR particularly, grain yields in 1959–65 were by 25–30 per cent lower than in 1933–7.

Investment allocation is the field where the new leaders have decided to make radical changes. Brezhnev promised to increase total investment in agriculture (in 1966–70) to 71 mlrd r., of which 41 mlrd r. will come from the State and 30 mlrd r. from the *kolkhozy*. This is about the same amount as was invested in agriculture during the whole of the previous nineteen years. The production of tractors is to be increased by 1970 to 625,000 per annum; by then agriculture will have a working fleet of 1,790,000 tractors. Production of grain combines is to increase from the present 84,200 to 125,000. An especially sharp increase in the supply of trucks is envisaged: in the next five years agriculture should receive 1,100,000 trucks as against the 394,000 received in the preceding five years.

Ever since the abolition of the Machine Tractor Stations in 1958, which was accompanied by the sale of agricultural machinery to *kolkhozy*, repair and maintenance as well as the supply of spare parts (first via Repair Technical Stations and after 1962 via *Selkhoztekhnika*) have been very unsatisfactory; only about 60 per cent of *kolkhozy* requirements for these services have been met. There are at present 13,000 farms (*khozyaistva*) which have no facilities for running repairs. This situation is also to be remedied by the new agricultural programme: *kolkhozy* are to be supplied with the necessary repair machinery, spare parts are to be standardized, and so on.

Under the new programme the supply of fertilizers will also be stepped up quite markedly. By 1970 the annual supply of mineral fertilizers should amount to 55 million tons—twice the quantity planned for 1965.[7] It is also planned to irrigate 3 million hectares and to drain 6 million hectares; in the preceding twenty years only 2·3 million hectares were irrigated and 3 million hectares reclaimed.

Provided these very ambitious investment plans are realized—and as much cannot be said for the previous Plan periods—Soviet agriculture should see much better days in the future. Everything, however, depends on the overall growth of the Soviet economy.

Two very important reforms for improving the system of government

[6] See G. Gaponenko in *Planovoe khozyaistvo*, 5/65. [7] *ibid.*, p. 9.

procurements have been introduced. First, procurement prices for many major agricultural products have been greatly increased; and second, procurement quotas have been lowered and are to remain unchanged for six years. The average procurement price for wheat bought from *kolkhozy* has been increased by 12 per cent and for rye by 23 per cent, while the respective price increases for *sovkhozy* are 25 and 32 per cent.[8] These prices are regionally differentiated to a greater extent than the old prices were, and are much closer to the regional cost differentials. To close the gap between cost and the price offered, procurement prices have been increased by as much as 50–100 per cent in the north-west and central economic regions of the RSFSR, the Baltic States, and some regions in the Ukraine, where the existing prices are insufficient, in many *kolkhozy*, to cover even the cost of production.[9] In addition, on all deliveries of wheat and rye above the procurement plan a premium of 50 per cent will be paid. The procurement prices for livestock have also been substantially increased: for cattle by 20–55 per cent, for pigs by 30–70 per cent, and for sheep by 10–70 per cent. In some regions, where it is thought that production should be especially encouraged, prices have gone up by as much as 100 per cent.

These price increases should finally solve the problem for many *kolkhozy* and *sovkhozy* who have had to sell livestock products to the State at a loss. Their only way of reducing the loss was to fall short on deliveries—there was certainly no incentive to overfulfil the Plan. For example, in 1962 *sovkhozy* in the Ukraine lost on average 121 r. for every ton (liveweight) of cattle delivered to the State and 156 r. for every ton of pigs. In Uzbekistan, losses on each ton of cattle amounted on average to 403 r., and in Tajikistan to 299 r.[10] The price increases will have no effect on the retail price level in the State trading network and will be completely covered by the budget. The increased prices for *sovkhoz* products should at last enable their transfer to a *khozraschet* (business-like) basis, and some movement in this direction is likely.

The State procurement plan for 1965 for grain has been reduced from 65·4 million tons to 54·6 million tons and will remain at this level for the six years up to 1970. It has been fixed for republics, *oblasti*, *krai*, *raiony*, *kolkhozy*, and *sovkhozy*. In the last ten years, with the exception of 1956, 1958, and 1964, the procurement plan has not been fulfilled. It was usually set too high with the result that *kolkhozy* and *sovkhozy* eventually had to obtain grain for seeding purposes from the State. In 1962, 1·37 million tons had to be transported back to *kolkhozy* and *sovkhozy*, and in this way unnecessary transportation costs were incurred. The State plan for the procurement of livestock products has also been fixed for six years

[8] See V. Garbuzov, *Finansy SSSR*, 4/65, p. 5.
[9] On cost-price ratios see an excellent article by J. Karcz to be published in *Soviet Studies* (Glasgow University), October 1965.
[10] Garbuzov, *op. cit.*

but on an increasing scale. The procurement plan for meat is to increase from 8·5 million tons in 1965 to 11·4 million tons in 1970; milk from 33 million tons to 43·4 million tons.

By fixing the procurement plan for every *kolkhoz* and *sovkhoz* over a period of time, it is hoped that long-term planning by farms will become much more rational; at least it should be difficult for the numerous local officials to interfere unnecessarily, and to raise procurement demands annually, or even more frequently, as they have been accustomed to do. At the same time, *kolkhozy* are assured that officials will no longer interfere with production decisions in the *kolkhozy*. It is not, however, certain that local officials will change their mentality overnight and will refrain from giving instructions; legally they have already been forbidden to do this for a number of years.

The financial position of *kolkhozy* will also improve by the change from the beginning of 1966 in the income-tax levy. Up to now, *kolkhozy* have had to pay income tax on gross revenue (less various allowances, e.g. for livestock) irrespective of whether the revenue was large enough to cover the expenditure and whether the *kolkhoz* had actually been making a loss. The new law on *kolkhoz* income tax[11] provides for *net* income (not gross as before) to be taxed at a flat rate of 12 per cent; however, net income corresponding to profitability (*rentabelnost*) of up to 15 per cent will be exempt. Furthermore, *kolkhozy* will pay an 8 per cent tax on wages above the monthly minimum of 60 r. Tax will be paid on the current year's income. According to the provisional estimates,[12] the total tax levied will be reduced in the RSFSR, Ukraine, Moldavia, and Kirgizia by half, in Azerbaijan, Tajikistan, Armenia, and Turkmenistan by up to three-quarters. The largest reduction will be in Byelorussia, Lithuania, and Latvia.

In addition to these concessions to *kolkhozy*, their indebtedness to the State is to be reduced by 2·2 mlrd r. The total indebtedness of *kolkhozy* on long- and short-term account amounts to 5·5 mlrd r. and 1 mlrd r. respectively; the reduction is very important, therefore, especially for the economically weak *kolkhozy*. In addition, the practice of charging a 5–7 per cent surcharge in rural areas for industrial products will be discontinued.

Putting all these financial concessions to *kolkhozy* together, and assuming that all of them are put into practice, there is no doubt that the financial independence of *kolkhozy* will be greatly enhanced. This should also affect the status and standard of living of *kolkhozniki* and will probably enable all the *kolkhozy* to change to guaranteed money payments for their members, which would make them more equal to industrial workers. Together with the benefits secured from private plots and the recently acquired pension rights, the *kolkhoznik* will now have an incentive to become a better and more stable worker. But, unfortunately, there is

[11] *ibid.* [12] *ibid.*

nothing in Brezhnev's speech that promises him an internal passport as of right. At present the *kolkhoznik* has no internal passport; this makes it impossible for him to leave his rural district and move into an urban industrial area and obtain permission to live there and work in industry. Without an internal passport, therefore, his freedom to move off the land will continue to be restricted and he will remain a 'second-class' citizen of the Soviet Union.

The present writer would agree with G. Gaponenko[18] that the decisions of the March Plenum and the subsequent reforms 'entail changes in the proportions of national income distribution in favour of agriculture', provided that other powerful lobbies, defence or heavy industry, do not hinder the realization of the decisions. Results will have to be awaited, however, before the Plenum can be proclaimed a turning-point in the history of Soviet agriculture.

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Southern African alliance

THE 'alliance' between the Governments of South Africa, Rhodesia (at that time the Central African Federation), and Portugal, first forged in the period after the 'wind of change' in 1960, is making news again. And this time it is Rhodesia, even more than South Africa, that is making the running.

Co-operation is being developed on political, economic, and military levels. The political co-operation has been fairly continuous—involving mutual support in international organizations, for instance, and mutual aid among security police. (In May, seventy Mozambiquan political refugees were reported to have been deported back to Mozambique by the Republic authorities.)[1] It is also not totally irrelevant that the present Rhodesian Government includes four South-African-born members.[2] But the economic and military fields present some interesting new developments.

In March 1965 Mr Haak, South African Minister of Planning, addressed a Johannesburg economic conference on the subject 'A Common Market in Africa—a Marketing Concept'. He said that 'as far as our Bantu Homelands and the High Commission territories are concerned, the present degree of economic co-operation is probably far ahead of that achieved in the European Common Market. We already have a customs union, an almost free flow of capital, a monetary union with the same unit, and a substantial flow of labour'.[3]

Dr Verwoerd put forward the idea of a Southern Africa Common

[18] *op. cit.* [1] *The Star* (Johannesburg) (weekly ed.), 22 May 1965.
[2] They include the Minister of Justice, Law, and Order. *The Sunday Times* (Johannesburg), 30 May 1965.
[3] *Rand Daily Mail*, 1 April 1965.

Market as early as 1959, when discussing his 'independence' project for the Bantustans, but sharp reactions from the High Commission territories and from public opinion in Britain induced him to lie low for some time. During a visit to Europe last year, however, Dr Muller, South Africa's Foreign Minister, revived the idea in public, and at the beginning of November the Minister of Defence, Mr Fouché, raised it again when he addressed a Nationalist Party meeting in Pretoria. He suggested that South Africa could use her economic power to help not only 'her own' national groups within the country but also 'favourably disposed nations in Africa'.

Mr Clifford Dupont, Rhodesia's deputy Prime Minister, described the Common Market idea as 'admirable' in December 1964; the two countries had just concluded an agreement to lower trade barriers which was reported in the press as a 'first step' towards the Common Market scheme.[4] The first step was followed by discussions on a new rail link between the two countries; and a loan of £2½ m. from South Africa to the Rhodesian Government was announced in March 1965.[5] A new trade pact was signed between South Africa and Portugal in the same month, together with a series of agreements under which *inter alia* South Africa was to loan £2½ m. for a hydro-electric scheme in Angola, in return for power to be supplied to South West Africa.[6] Similar trade agreements were made between Rhodesia and Portugal, and pacts for co-operation between the air-lines of the three countries came into effect in April.

Over the past three months, Portuguese–South African–Rhodesian connections have been cultivated assiduously by all parties, but particularly by Rhodesia, evidently in preparation for the hard days that might follow a unilateral declaration of independence. Groups of businessmen from South Africa and Mozambique have been visiting Rhodesia, sponsored by the Rhodesian Promotion Council. An Angolan trade mission was in Bulawayo for a trade fair, and so was a delegation from Spain, which has apparently been introduced as a fourth member of the 'alliance'—Spain also had her biggest-ever exhibit at the Rand Fair in Johannesburg at Easter. And a South African businessman was invited to open the annual congress of the Associated Chambers of Commerce of Rhodesia on 19 May; among the items on the agenda was the provision of telex services between Rhodesia and Mozambique.

Rumours that the Southern African alliance had already gone far beyond the 'Common Market' concept, however, were circulating as early as 1961, when hints were made in the South African press that a 'secret' military pact had been signed by the three Powers. Military missions have been exchanged between the three countries since then, including visits

[4] *Rand Daily Mail*, 30 November 1964.
[5] *The Star* (Johannesburg), 6 March 1965.
[6] *Rand Daily Mail* and *The Star* (Johannesburg), 20 March 1965.

by the South African and Rhodesian Defence Ministers to Lisbon (Mr Fouché was expected to visit Lisbon again in June this year). But the first official reference to a formal defence agreement came from Mr Ian Smith, the Rhodesian Premier, in May. He told the Johannesburg *Rand Daily Mail* that he expected the Western world, particularly Britain and America, to support such an alliance. 'We must think about our security in this part of the world,' he said, 'especially with all these people to the north yapping at us all the time. At the moment we are part of the British Commonwealth and believe we can rely on this. But in the event of our taking our independence, it is natural that we should think about speaking to the South Africans and the Portuguese and doing what everyone else in the world is doing, forming a defence pact. This seems to me to be logical, there is nothing sinister about it. For the moment we are only thinking about it. Nothing has been done.'[7]

Mr Smith added that a defence alliance between Rhodesia, South Africa, and Portugal would be a front against the infiltration of 'communism' from the north, and not a stand against African nationalism.

South Africa has strong ground and air forces (a total of 26,500 men under arms and 29,600 police); Rhodesia's strength is in the well-equipped air force she inherited from the Central African Federation (the country has 4,300 men under arms and 6,400 police); while the Portuguese have large ground forces deployed throughout both Angola (about 45,000 men) and Mozambique (about 16,000 men).[8] A formal pact would make possible, for instance, the calling in of Rhodesian aeroplanes to back up Portuguese ground attacks on African resistance fighters, or of South African army units to reinforce white Rhodesians in any conflict that may follow the seizure of independence.

During the Commonwealth Prime Ministers' Conference in London in June, President Kaunda of Zambia gave warning that Rhodesia posed a threat to Zambia, Britain, and the Commonwealth. The Conference ended with no time limit set for negotiations between Britain and the Smith Government, so the conflict that has already imposed severe strains on relations between Africa and the United Kingdom may well drag on for a long time—though it could erupt in the next six months. What is clear, however, is that the longer the crisis is delayed the better armed will Rhodesia be to cope with it. Britain may find herself faced no longer with the mere 250,000 whites of Rhodesia but with the whole white population of the subcontinent, which totals nearly 5 million.

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[7] *Rand Daily Mail*, 7 May 1965.
[8] These figures are taken from *The African Military Balance* by Neville Brown and W. F. Gutteridge (London, Institute for Strategic Studies, 1964).

Trends in Iran in the past five years

PETER AVERY

THE last half-decade has been very eventful for Iran. New elections for he National Consultative Assembly began in January 1961. These were he signal for demonstrations which, among other things, revealed that many people were not impressed by the Shah's attempt to have a two-party Majlis: the elections were fought on the basis of either Dr Iqbal's *Milliyun* ('Nationalists") or Mr 'Alam's *Mardum* ('People's') Party being eturned with a majority sufficient to form a Government. This gallant xperiment, inspired of course by the Head of the State, went awry: he kind of Assembly the Shah needed to carry out reforms was not btained and, amid royal expressions of disgust at the conduct of elecions and hints that the electoral regulations required revision, the Majis was suspended on 9 May 1961 not to be reconvened until 6 October 1963.

During this suspension of representative government, landowners and thers with vested interests were unable to use the Majlis to block reform neasures. When Dr Amini replaced Mr Sharif Imami as Prime Minister n 5 May 1961, vigorous steps were taken first of all to cope with a grave inancial crisis, international and U.S. loan sources insisting that the ranian house be put into some sort of fiscal order. The Shah then romulgated reform proposals and finally, after Cabinet approval and he Shah's signature on a revised Land Reform Bill in January 1962, land listribution became a firm reality.

It is probable that the opening of the 1960s will be remembered in ranian history mainly for this momentous revision of proprietary rights n what has always aroused a peculiar degree of sensitivity among Iranians, amely, land, the threatened and actual alienation of which has been a reurrent feature in a country so often in the past subject to invasion. Howver, this was not the only characteristic trend of the period under reiew. On 14 November 1961 Dr 'Ali Amini announced his receipt of a oyal directive, in effect a mandate, to eradicate corruption, improve tax ollection and distribute tax demands more equitably, improve justice, onfer more administrative authority on provincial governments, and, n general, attend to the people's needs. Such matters as educational reorm and workers being given shares in the profits of factories were also nvisaged.

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The Shah's revolution

This remarkable statement, signed by the Shah, received scant attention in the West but was really the opening shot of what has been described as the Shah's revolution. The dramatic new departure and the application of the initiative thus gained may be attributed to factors that include the necessity to recover from the failure to achieve anything positive since Musaddiq's fall in 1953 or, for that matter, since the opening of Muhammad Reza Pahlavi's reign in 1941; the serious deterioration in the country's finances, requiring emergency and certainly positive measures; and, not least, the unexpected but relatively efficacious combination of brains in charge of affairs which was achieved when, from May 1961 to 19 July 1962, a man of Dr Amini's ability happened, as Prime Minister, to be working jointly with the Shah, during a period when the country was ruled by decree. It should be noted in this context, however, that the Shah appears on the whole to show an unwillingness, which could be dangerous, to have men of outstanding calibre working with him.

While the Shah may be seen to have been making a bid to enlist the support of the so far politically untried peasant majority of his subjects and the factory workers, ranging both against the landowners and wealthy vested interests, his Prime Minister repeated what in effect Ahmad Qavam had tried in 1946, namely, an attempt to widen the basis of the Cabinet and to appeal to middle-class elements by including in it new men, such as the Ministers for Agriculture, Hasan Arsanjani, and for Education, Mr Darrakhshish, both notable for their progressive ideas and their inability hitherto to align themselves with those in power. Throughout the period, the composition of the Cabinet perceptibly changed, emphasis ultimately resting on younger men of a distinctly technical as well as radical outlook.

The effort seems to have been consciously to gain new allegiances to government under the aegis of the Throne and to redress the drift to other loyalties, centred on such group nuclei as the name of Muhammad Musaddiq and the National Front's combination of political associations. Since the extirpation of the *Tudeh* Party in 1955, the National Front, as a group opposed to government by the Shah, had received the support of many who might otherwise have been in the communist ranks and whose support of the National Front was probably quite unsolicited. However, with this addition to its strength came an added determination among National Front supporters to bring to naught nationally regenerative processes initiated by the Shah, and an additional spread in, for example, the lower ranks of the civil service, and even as high as the Under-Secretary level in the Ministries, of opposition forces capable of impeding the execution of constructive plans.

Awareness of this, in the spring of 1961, may have contributed to the

Crown's taking steps to create a new political balance, notably by, so to speak, calling up the peasant reserve in the Shah's favour. This procedure could best be effected by land reform, which significantly began in districts of Azerbaijan where the cultivators' dissatisfaction with the owners of exceptionally large estates had often been rumoured. Ironically, however, it was also possibly the very ability and ruthlessness of the owners in question that had made their estates sufficiently efficient to render them suitable areas upon which to try new experiments. After a beginning in March, it was reported by September 1962 that 100 Azerbaijani villages had been transferred from private landowners to 23,000 peasant families. According to the terms of the Land Reform Bill, the latter were to pay for their newly acquired holdings in long-term instalments, while former proprietors were to be compensated by the Government also in payments on a long-term instalment basis. The former proprietors could, however, retain one village each and any land already under mechanized farming and cultivated by labour receiving cash wages—this wage system being sharply contrasted with one of the main objects of attack in these reforms, namely, the share-cropping system. The reform was put into operation in other areas of the north-west and north and proceeded rapidly; later it was extended to Fars, where it occasioned disturbances which will be mentioned below.

Political effects of the land reform

Pursuing the political motivation of the land reform, apart from whatever economic and social reasoning may have been involved, it may be noted that by the time Arsanjani, whose lot it had been to execute the reform's first phase, had resigned from the post of Minister of Agriculture on 9 March 1963, enough political support had apparently accumulated round the Throne for modification to be thought necessary, lest the balance be irrevocably impaired. For in Iranian politics it is axiomatic that, though redressing the balance may sometimes be expedient, this must not be carried so far that the forces ousted resort to desperate action.

Moreover, with the culmination of the land reform's political and social aims in the Shah's inauguration on 19 January 1963 of a First Congress of Agricultural Co-operatives in the capital, it became apparent that there was a danger of the new land-possessing cultivators desiring too precipitately to gain a voice in the nation's political affairs. Such a move must inevitably be anticipated as the next objective of an emancipated peasantry, and was, in fact, foreseen in one of the provisions the Shah mentioned in his inaugural speech to the Congress, namely, the establishment of a crash corps of officer conscripts to go out into the countryside to widen the extent of literacy, which was still very limited in the rural areas. This 'Knowledge Force' has been put into operation, with all the éclat to be expected of such an enterprising move in a land as

culturally concerned and educationally ambitious as Iran. It is mentioned here as an indication of the early recognition of the necessity for educating a freshly liberated peasant majority.

It may, however, be assumed that the Government not unnaturally viewed with apprehension an overhasty desire on the part of the rural majority directly to enter politics; though in the new Parliament inaugurated in October 1964 there are some deputies drawn from classes not formerly regarded as suitable for membership of the Majlis. Any apprehensions that might have existed in January 1963 were not allayed by the intemperate speeches delivered to the Congress by Dr Arsanjani. He lauded the reduction of the old 'parasitic' class of landowners, and his words seemed only to exacerbate the danger of the land-reform policy being carried too swiftly beyond the sphere of agrarian reform and the adjustment of a political balance into that of much more thorough-going political action. How thorough-going this might have been in completely upsetting a traditional feature of Muslim societies, namely, the cultural and political dominance of the city, has to be assessed in the light of what is, in fact, one of the great unresolved conflicts of Muslim nations. Suffice it to say that the First Congress of Agricultural Co-operatives was followed by a marked loss of momentum in land-reform measures and the resignation of the Minister of Agriculture not long afterwards.

Opposition to the Shah

Dr Arsanjani's resignation did not occur, however, before another event, one for which no doubt the Tehran Congress of grateful cultivators had been partly designed as an introduction, namely, the Shah's referendum of 26 January 1963. Out of an estimated population of 21 million, the Shah gained a reported 5,598,711 votes in favour of reforms he and Dr Amini's Government had instituted by decree, according to the Shah's thesis that in the absence of the National Assembly and the Senate the Constitution empowered him to initiate legislation; there were only 415,000 votes against him.

This thesis was not accepted by the various forces opposed to the Shah, and from the moment of Parliament's dissolution, and particularly when it became clear that new elections were not going to be held in accordance with the provision of the Fundamental Law requiring them within a period of three months from prorogation (Constitutional Law, 3 December 1906, as amended by the Constituent Assembly of 8 May 1949, Article 48), the National Front and the religious leaders were vehement in protest against what they described as illegal government. Thus demonstrations begun in January 1961 over the unsatisfactory nature of the elections acquired a new motif under rule by decree. Opposition to land reform received religious sanction when Ayatullah Burujirdi, the outstanding *mujtahid* of the day, issued an early warning that re-

distribution of land would be contrary to Islamic juridical theory enshrined in the *Shari'ah*. Also, Dr Amini's austerity measures to meet the financial crisis afforded scope for protest to elements as disparate as those later to coalesce against the land reform. There were demands that customs dues be paid at once instead of as goods were marketed in the bazaars. This caused bankruptcy among the merchants, many of whom had over-stocked and had large holdings in bond. Students abroad were required either to achieve satisfactory examination results or to forfeit their passports and allowances, thus ceasing to be a drain on foreign-exchange reserves. There were also demands that the wealthy be prevented from spending abroad and that the import of unnecessary luxuries be stopped, while the importation of motor-cars, and even for a time lorries, was restricted, as well as the use of cars by government officials at government expense.

Measures of this kind, though obviously necessary in the country's interests and, in any event, insisted upon by its creditors, proved fruitful sources of indignation against the Administration from a strange assortment of people. Dr Amini failed in a bid to obtain National Front support for his Government. He also failed to win the support of members of the country's relatively recently influential entrepreneur class. Students, especially those enjoying the freedom of speech and association obtaining in the United States, where they also have the promptings of senior Iranian intellectuals in exile there, protested against him violently in the corridors of the United Nations building and outside the Iranian embassy in Washington; though, for obvious reasons, they got little support from the U.S. authorities. Nevertheless, the coalition of a variety of normally incompatible forces—communist-influenced students, wealthy businessmen, *mullas*, and ultimately tribes and landowners—was for a time a dangerous possibility, and in the period from 1961 to 1964 many of the clashes in Iran between demonstrators and security forces were severe. But fortunately for the Government there has so far emerged no monolithic group opposed to land reform and the austerity measures necessitated by a fiscal crisis which those who did not consider their Government representative of them refused to regard as their responsibility or something for which they ought to be made to suffer.

On balance, the landowners do not in actual fact seem to have been in the forefront of those protesting. It is likely that they chose to wait for the lapse of time to reduce the first flush of the land reform's impact; and in any case many of them had prepared for the eventual loss of their estates, of which since the present Shah ascended the throne there have, after all, been ample warnings. The landowners of Fars may be an exception to this. Businessmen, however, were bitterly opposed to the new type of socialism being imposed on the country by the Shah. And, as if to revive their role as leaders in the van of revolution during the first years of the

twentieth century at the time of the Constitutional Movement, the religious classes have re-emerged as a political force. Regrettably the two chief religious dignitaries of the Iranian Shi'ite world, Ayatullah Burujirdi and Aqa Hajj Sayyid 'Abdu'l-Hadi Shirazi, died on 30 March 1961 and 13 July 1962 respectively and have not yet been replaced. Though perhaps it has been to the Shah's advantage that the Shi'a world lacks authoritative leadership capable of commanding universal respect, on the other hand there is cause for him as well as for others to lament the loss of these men's restraining influence and cautious guidance.

Religious opposition

Mullas like Khumaini and Milani have become prominent anti-Shah and anti-American demagogues. Severe rioting broke out between 4 and 8 June 1963, in Tehran and Shiraz, and was said to have been religiously inspired. In the referendum of the preceding January, and in the reformed arrangements for the election of provincial and municipal councils that were also a feature of the period under review, women were for the first time allowed, in the first instance, token votes, and in the second, genuine voting rights. This process of female enfranchisement was criticized by the *mullas*. But, just as the Shah announced on 11 June 1963 that, in spite of the riots of a few days before, he would continue to plan elections for a new Majlis and Senate, so, in spite of protest against enfranchisement of women having been one of the planks in the rioters' platform, he brought women in as voters and candidates, with the result that six women sit as deputies in the present Majlis, and two have been chosen to be Senators among the thirty selected by the Sovereign.[1]

Another object of protest was to bring the newly elected Majlis under the wrath of a disaffected religious personality. Following Parliament's ratification of the agreement with the United States in the autumn of 1964, allowing U.S. service men and civilians on duty in Iran to be tried by their own authorities according to their own laws for certain offences, notably motoring offences, Khumaini, at present in exile in Turkey whither he went on 4 November 1964, wrote a violent anti-Shah and anti-Majlis broadsheet, accusing the authorities of reviving 'capitulations' and infringing on the dignity and rights of Muslims.

But in the religious involvement in protests against reforms, and specifically against the land redistribution, it is not as yet, and perhaps never will be, possible to perceive to what extent the *mullas* were acting entirely on their own initiative and in accordance with stoutly held and properly thought-out principles, and to what extent they might, probably unwittingly, have been playing a 'front' role for other, more adroit, elements of the community, dissatisfied with the assumption of so much

[1] Thirty others are elected to make up the total of sixty; in the Majlis there are 200 deputies.

initiative on the Throne's part and anxious to incite civil disturbance against it. If it is conceivable that the religious institution has for a long time now been fighting a rearguard action against an almost inevitable whittling-away of its power—as modern reform progresses with the unavoidable concomitant of loss of religious influence for a religion that has attempted to be both the supreme spiritual and secular authority—then it may be assumed that the religious institution would seek to profit from any situation in which its voice could be raised to gain adherents and to disturb the advancement of modernism and secularism. At the same time, for this reason alone, religion would easily lend itself to the kind of unwitting front activity for the benefit of others that has been adumbrated above. Principally those most opposed to the Shah's initiative may be expected to be the entrepreneur class, which thrives on freedom for opportunism and views with misgiving strong governmental initiative and drives towards greater efficiency and the bringing of more departments of the nation's life under effective government control. It is noteworthy that prominent members of this entrepreneur class refused to co-operate with Dr Amini in 1961; also that they can probably command, by playing upon the *mullas'* venality and desire for power, both as a matter of principle and also in an attempt to retain something of at least the sense of having political influence, some following among certain elements of a religious class that may be far more deluded and far nearer ultimate defeat than they themselves or religiously minded and liberal Westerners (notably in the United States) think or are ready to concede.

Tribal disturbances

A similar ambiguity of motivation and, perhaps, incitement was discernible in the rebellious moves of the tribes in the south. In November 1962 the Qashgha'i tribes were involved in the murder of an engineer working in connection with land reform. The victim was promptly hailed as the reform's first martyr by an Administration ready to show itself now perfectly capable of enlisting to its side every device of modern propaganda. The Qashgha'i tribes were punished and General Ariana took over command in the Fars region in March 1963 in order to inaugurate operations by land and air against other tribes. These operations were reported to have been relentless enough to settle the problem of tribal indiscipline for a long time to come. The disturbances were associated with protests against land reform, but it is known that the Qashgha'is, for example, also suffered a sheep pestilence which would bring about economic conditions of a kind usually compelling the nomad or semi-nomad to resort to acts against the peace, such as brigandage. And it is also a matter for consideration that the tribes might have been discreetly encouraged in their anti-Government stance by others opposed to it; or that they may have been driven to civil disturbance by a general feeling that

the power of the central Government was becoming too ubiquitous, so that some kind of last stand was necessary. In this case, their attitude would not in the long run be totally dissimilar to that of the *mullas*.

For though the Shah had appealed to a new area of support among the peasant masses, and had, in the course of Dr Amini's vigorously prosecuted anti-corruption measures, attempted to shake himself free from association with certain senior army officers, with whose cruelties, in carrying out what purported to be his orders a few years before, his name had become sullied, the fact remained that, through the implementation of land reform, the power of the central Government, represented by a new type of technocracy, was likely to be spread all over the country more than ever before. Thus groups such as the religious and the tribal felt threatened; while the former were, moreover, faced with the risk of losing valuable sources of revenue in the nationalization of *vaqf* or endowment properties.

The arrest of prominent officials in such government monopolies as the caviare industry, and of important personalities like the former head of the General Staff's Intelligence Bureau, General Hajj 'Ali Kia, and the former Judge Advocate (he who tried Dr Musaddiq), General Azmudeh —to say nothing of the once so faithful General Zargham and, in the end, the former Chief of Staff himself, General Hedayat—indicated that the Shah could show himself independent of the very class of corrupt corporation directors and senior army officers upon which he had been regarded as almost entirely dependent. These arrests came as a surprise and were made possible by the directive to Dr Amini to eradicate corruption; the charges were all of embezzlement and peculation, and in most instances appreciable sentences were meted out to the accused. The Shah was now not only the reformer; he was also acting as an extremely powerful and bold ruler. Groups hostile to the ascendancy of the royal power were naturally alarmed. Also, there were plenty of people among the friends of the accused and those who might, as it were, be next on the list, who were not likely to be sparing in encouragement of movements against the regime.

It would be convenient to be able to reduce the causes of tension to the simple formula of liberalism versus socialism; and it may in a final analysis be possible to do this, liberalism being taken in its classic sense of the right of the individual to choose for himself, socialism in the sense of the State choosing the people's aims for them and becoming more and more ubiquitous, *étatist*, and dictatorial. The Shah has, however, continued to repeat his faith in democracy and his desire, once Iran has matured sufficiently for this to be feasible, to permit fully representative government. The measures recently promulgated have also included measures for decentralization. On 28 August 1962 it was decreed that provincial Governors-General would be given more authority and even be invested

h what had formerly been in certain spheres the responsibility of
nistries. They were also given power to declare martial law. This
ked like a step in the direction of greater provincial autonomy. A fur-
r, apparently anti-*étatist* move was the Government's gradual shed-
g of responsibility for running State-owned industries. While factory
:kers were offered shares in the profits of industry as one of the Shah's
articles of reform, on 7 December 1962 dispossessed landlords were
l that they could have shares in erstwhile State-owned factories in lieu
:ompensation for their estates—an offer which may not have had any
it appeal except to the very far-sighted and perhaps somewhat op-
istic. The Plan Organization, which admittedly had threatened to
ome a monolithic structure and had not worked very well as such, was
wise subjected to a change that marked the tendency towards a mea-
: of decentralization. On 12 September 1962 it was announced that
ceforth the Plan Organization would only plan projects, the various
iistries concerned being responsible for executing them.

jections to modernism

n spite, however, of these indications of the State's ridding itself of
ain obligations and of a move towards decentralization which have
n characteristic of these years of reform and change, it is difficult not
ttribute the continued opposition of some classes to the Shah and his
rms to the sense that the technical accompaniments of these reforms,
ibly the land reform, will mean a network of technocratic control
ıg cast over the whole country. Agricultural workers, who now have
e aided in cultivating their own plots, trained in new methods, and
ıstomed to using co-operatives, will become to no small extent sub-
'ient to a technocratic bureaucracy of a kind hitherto unknown: of a
l that is likely to give short shrift to traditional ways of life, prejudices,
long-cherished attitudes, and to ensure, by probing into every aspect
he people's lives, the spreading of the power of the central Govern-
it in a novel and, to some, invidious way. Opposition from vested
rests can easily be explained. The kind of opposition that is ascribed
he religious classes, except in so far as they too have vested interests
he old order, is more subtle, and it was probably correct to say that
were not opposed to land reform in principle. What they, and other
osition forces to be mentioned below, objected to, and still refuse to
:pt, is the way in which this and other reforms are being carried out,
by whom, namely, by the secular power as represented by the Shah
erson; there is also suspicion of the new measures' future conse-
nces in a new distribution of power emanating from the Throne and
ipsetting of old balances of influence.
bjection to the spread of modernism and technocracy may be seen
ave been symbolized in the tragic assassination last January of Mr

'Ali Mansur, the Prime Minister who succeeded Mr 'Alam, Dr Amini's successor, on 19 February 1964. Mr Mansur represented those new forces associated in the minds of an increasing number of Iranians with Europe and America. In other words he represented a new kind of élite, an élite which has for an increasing number of minds an alien air, as more of the nation becomes politically and socially conscious and more people are able to differentiate between the qualities of men and the types of outlook which their leaders are seeking to impose upon them and those which the people themselves would choose if the choice were left to them.

This imposition is sincerely intended for the country's benefit. With a high and rising level of oil production from Iran's central, old-established oil industry, operated by the National Iranian Oil Company and the international Consortium, and with off-shore oil in the Persian Gulf having recently been struck, there is, as fresh agreements advantageous to Iran are concluded with foreign exploration and exploitation units, every likelihood of increased wealth from oil in the next few decades. The Shah and the all too few progress-seeking men willing to work with him, or tolerated by him, are naturally concerned so to improve the nation that it can adequately rise to the great occasion which this new access of wealth presents. In recent years the Shah has shown solicitude for every aspect of the oil industry. By the end of 1964 Dr Iqbal, recalled from abroad and made Chairman of the National Iranian Oil Company, put through measures which must be assumed to be aimed at streamlining the direction of this Company. The Chairman now has the right to appoint members of a much reduced Board of Directors numbering only four men, and these changes may be considered to have been inspired by the Head of the State. The latter has also more than once in the last five years asserted that Iran should become the Near East's greatest producer of oil: an assertion which has not gone unnoticed in Arab quarters and may be presumed to have something to do with strained relations between Iran and the U.A.R., recently hinted at by Iranian authorities as being responsible for Arab irredentist movements in Khuzistan, in connection with which three men were hanged in the autumn of 1964.

But, in spite of the promise of a rise in material wealth and the not illogical effort to make the country capable of using this wealth for a general betterment of standards of living, what is an aim imposed from above remains an imposition, and one particularly burdensome to many members of a nation that has traditionally been taught to prefer spiritual and abstract values above material and concrete advantages. The latter are known to be transient and are the more distrusted when appearing in the dress of alien cultures, from whose representatives Iran has in the last two centuries suffered humiliations that her people cannot easily forget.

However, the last five years have seen not only prosperity in the oil sphere, but considerable trade activity in other areas of the economy.

Numerous trade agreements and credit arrangements have been concluded with countries such as Japan, Russia, Czechoslovakia, Poland, France, Great Britain, India, and Afghanistan. The Shah has been untiring in prosecuting a foreign policy directed to raising Iran's international prestige as well as to making the country solvent and possessed of a variety of outlets for its products and not tied down to any one trade partner. State visits, from the Queen of England and from the then President Brezhnev of Russia, on 4 March 1961 and 15 November 1963 respectively, and from General de Gaulle, in October 1963, and the Shah's and Dr Amini's journeys abroad have all been closely connected with the quest for funds with which to carry out the third Five-Year Plan which was inaugurated in 1961, and with ensuring these flexible and varied foreign trade links. Meanwhile, the Iranian Government's continued upholding of the Central Treaty Organization speaks for its desire to be included in Western arrangements and organization.

Attitude of the Intellectuals

This desire as well as other aspects of the Shah's policy which have already been cited appear positive and encouraging enough, but the Western observer cannot yet by any means assume crisis conditions to have abated in Iran. Equally, he should not be prone to exaggerate the significance of either the assassination of a Prime Minister or the attempted assassination of the Shah, which have recently occurred, for neither event should, it would seem, be thought of as heralding an early nation-wide revolt against the present ruler and his counsellors. Nevertheless, these two episodes do prohibit complacency. On investigation, they point to a split between the Shah and a section of his people, which must be differentiated from the gap already alluded to between the Shah and those susceptible to religious incitement and opposed to modernism.

This additional failure of communication between the Shah and a section of the nation concerns those intellectuals and ostensibly progressive younger men and women who refuse to accept the monarchy or to believe in the monarch's good intentions. This element may well be considered small, but to judge from the number of Iranian students abroad, who are those most prominent in this group, assuming that even only a fraction of them in the end return to Iran, any comfort in the group's smallness is bound to be short-lived. And unless some sympathy can be forged between them and their present rulers, it is possible that the components of this element in the nation will ultimately be the ones to detonate an explosion the more severe because of the amount of pressure the Government may be increasingly forced to apply to their suppression. The intransigent pessimism and suspicion of these younger intellectuals, who have the sympathy of some much older than themselves, in the face of any efforts the Shah makes to improve Iran leave the argu-

ments of those who would like to be more optimistic about Iran's future open to question. If what is unfortunately but indubitably an Iranian tendency towards scepticism and suspicion of efforts to do well by the country on the part of those regarded as hostile masters prevails, then the fabric of the State is likely to undergo profound shocks. If, on the other hand, the present Government can somehow win the battle of emotions, overcoming suspicion and pessimism, then ultimately a community of purpose between the Government and the entire people might become more feasible, and what has been boldly undertaken in the course of the last five years might be brought to fruition.

Italy's economic crisis

A temporary pause or an end of the 'miracle'?

A CORRESPONDENT

ITALY'S economy has gone through a good many difficult periods since the war. But the latest crisis has also attracted considerable attention outside Italy, where people had become accustomed to the idea of the Italian 'economic miracle'. It differs in certain respects from previous periods of economic difficulty: for one thing, it is distinctly more serious; and for another, it is by no means easy to pin down the particular reasons for it. In fact, it seems likely that this latest crisis in the Italian economy can be explained only in terms of the same forces that brought about the 'miracle'.

Looking back over the difficulties experienced by the economy during 1963–4, the question at once arises: is this the end of the 'miracle', or is it merely a temporary setback? The answer probably lies midway between the two. The crisis does not signify the end of development but an episode within it—an episode which, however, marks the transition between two very different phases of the 'miracle'. The first phase was one of astonishing and tumultuous expansion; in the second phase, to use a metaphor, the *parvenu* sends his sons to school to learn good manners and himself abandons his early speculations which, though profitable, could ruin his newly acquired social repute.

The aim of this article is to analyse and describe the characteristics of the recent recession in Italy and its relationship with the economy's structural development. In this way we may arrive at some estimate of its

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significance in relation to the medium- and long-term development of the country's economy, within the framework of the Five-Year Plan lately put forward by the Government.

The course of the economic crisis

Let me first describe briefly how the crisis developed. Its early manifestations were in the sphere of currency and finance. The first warnings in fact came towards the end of 1960, when stock-exchange quotations slumped after an exceptional boom (the general index had increased threefold between September 1958 and September 1960). From then onwards share yields rose steadily, discouraging new issues and compelling business concerns to seek funds in much more unfavourable conditions on the fixed-income market, or to have greater recourse to the banks. Up to the end of 1962, however, industrial production continued to increase at a very high rate. In that year production increases surpassed the previous year's figures by 17 and 29 per cent respectively in the vehicle construction and textile fibres industries. But at the beginning of 1962 the first anxieties began to emerge both about prices and about the rise in imports, which were going up a good deal more than exports.

The Bank of Italy, faced with demands for ready money, at first decided to permit more extensive drawings in the hope that the inflationary tendency would quickly die down. Unfortunately this estimate soon proved wrong. The rate of increase of consumer prices, which in 1960–1 was around 2 per cent per annum, rose to 8 per cent in 1963. In the same year the balance of payments showed a deficit of $1,244 m. as compared with a credit balance of $49 m. in 1962. This decline, moreover, was no longer due solely to the increase in imports; it was now caused also by heavy outgoings of private capital, especially to Switzerland. At the same time within the country itself the banks' medium- and long-term commitments were reaching a dangerous level, with a corresponding diminution of liquidity in business concerns. It was by now obvious that the concerns' financial difficulties arose not only from the stock-exchange crisis but also, and even more, from an insufficient amount of saving.

At this point the Bank of Italy realized that it must apply restraints. The policy of credit restrictions was initiated between the spring and summer of 1963; and, since many firms were already experiencing financial difficulties and all of them were more dependent on bank credits than they would have wished, this change of policy had rapid effects. The first branch to be hit was the building industry, where many small firms were in no position to mobilize the capital they had invested in land for building in order to comply with the banks' request for repayment. The effects of the tight-money policy on production were further accentuated by the restrictions on hire purchase and the purchase of cars which the Government introduced in the second half of 1963 and early in 1964.

The turning-point in industrial production came in September 1963. A month or two later imports began to fall, and at the same time capital transferred abroad began to return home. International agreements for loans to Italy contributed towards re-establishing reasonable confidence in the lira. In addition, other European countries were also experiencing varying degrees of inflation, and this made transactions in lire relatively more attractive.

Thus the origins of the crisis were largely of a monetary and financial character. It can be regarded as the price that Italy had to pay to secure equilibrium in her prices system and her foreign accounts. But its results in terms of production and income yield were very serious. The annual increase in industrial production between September 1963 and December 1964 was only 3·2 per cent, whereas the average annual increase between 1950 and 1963 was as much as 16 per cent; and, what was more important, it was fixed capital formation that had to bear most of the costs of this reduction.

Economic prospects have now greatly improved. At home, there is much greater liquidity both in business concerns and in the banks. Accounts covering transactions abroad seem to have been restored to balance. Consumer prices are still rising fairly rapidly, but this is probably a last flicker of the inflationary trend in branches that have been slower in adapting themselves to increased costs of production. Tension on the labour market has diminished, though unfortunately at the cost of a considerable increase in unemployment.

In September 1964 the Bank of Italy was able once more to expand credit facilities. In recent months the State has adopted special measures to assist the financing of business concerns and to lighten the burden of the firms' social welfare contributions, hitherto a much heavier item of costs for employers in Italy than in other European countries. Industrial production as a whole has not so far shown positive signs of revival; but there has been a considerable improvement in some branches, notably in steel production and in the automobile industry, and the general psychological climate in business circles seems distinctly more favourable.

Political aspects: the 'opening to the Left'

After this brief survey of the external manifestations of the recession, we will now try to discover its main causes. Any attempt to explain the recent crisis in Italy is inevitably complicated by the fact that the economic difficulties developed side by side with difficulties of a more purely political nature, linked with the experiment of the political 'opening to the Left'.[1] The stock-exchange crisis, for example, which, as we have

[1] i.e. the experiment of associating the Socialist Party, hitherto in Opposition, with the Government (see 'A Centre-Left Government for Italy' by Muriel Grindrod, in *The World Today*, January 1964).

seen, marked the beginning of the recession, occurred in just those months when the possibility was beginning to emerge of forming a Government which would have the support of Nenni's Socialist Party, whether with or without that party's direct participation, and from which, on the other hand, the Liberals would be excluded. The first Government to include Socialist Ministers was formed in November 1963 (hitherto the Socialists had always been in Opposition except for a brief period of coalition Governments immediately after the war); and it coincided in practice with the extension of symptoms of recession from the financial sphere to the sphere of production.

The situation was further complicated by the fact that one of the conditions advanced by the Socialists in return for their participation in or support of the Government was that the concerns producing electricity should be nationalized. The 'opening to the Left' thus affected the interests of the big financial groups which also traditionally exercised a strong political influence. These groups, moreover, had close links with, or even in some instances controlled, a good deal of the non-party press; this applied particularly to three dailies with considerable influence in economic circles, the *Corriere della Sera*, *24 Ore*, and *Il Sole* (an exception among the non-party dailies was *La Stampa*, of Turin, which had close links with the Fiat concern and was favourable to the 'opening'). On the other hand, ENI, the State-owned organization for energy resources (*Ente Nazionale Idrocarburi*), controlled *Il Giorno*, which fought tooth and nail for the alliance with the Socialists. Interests no less powerful, though less highly organized, were affected by the proposals to introduce an urban development law and a tax on building land, towards which a good deal of speculative financing had been diverted after the stock-exchange crisis.

In addition to these particular subjects of controversy, further confusion arose because of differing outlooks and political aims both within the Christian Democrat Party and, even more, within the Socialist Party, long inured to political opposition and also by tradition sharply divided between its moderate, or reformist, and extreme, or maximalist, factions.

In this complex situation, each side violently accused the other of responsibility for the crisis. Supporters of the old type of Centre coalition found the main reason for it in a loss of confidence in the Government on the part of business circles and those with savings to invest: the Government, they alleged, was opening the door to the Socialist Party, the enemy of private initiative, the Trojan horse, bearer of reforms which would swiftly transform the country's economy into a planned economy under State control. According to this theory, the nationalization of electricity, taxation on the increased value of building areas, and the demands for an urban development law sufficed to account for the reluctance of savers to invest their capital in activities which were in danger

sooner or later of being confiscated by the State. As the crisis gradually spread to the productive sectors, the further accusation was made that too much power was being granted to the trade unions, with the result that rising labour costs were adding to the employers' difficulties.

Political elements that favoured the 'opening to the Left', including the Government itself, at first denied the existence or danger of a crisis. This attitude, dictated by political reasons, goes some way towards explaining why the Bank of Italy came to assume so important a role, especially in the first phase of the recession. Later, when its existence and gravity became obvious, the industrialists were accused of having spread panic or even wilfully provoked the recession in order to prevent the creation of a Government with the Socialists. Such general attacks were followed up by other more concrete accusations. The financial crisis, it was claimed, would never have broken out if speculation, unwisely supported by the banks' policy, had not inflated beyond all reasonable limits the value first of shares and then of building areas. In addition, the effects of the crisis on production and employment would have been much less serious if industrial profits had not been absorbed by speculative operations (and by luxury yachts on the Riviera) instead of being ploughed back into renovation and modernization of plant.

These accusations, biased though they were and linked with particular political interests, undoubtedly contain some element of truth. They also shed a light on the psychological climate in which the crisis matured and developed.

In particular, the arguments about confidence in the Government deserve some special consideration. Business circles' accusations against the politicians were certainly exaggerated, sometimes in bad faith and even in some cases for speculative ends. Nevertheless, their significance and importance on the psychological plane should not be underestimated, especially when one recalls the frailty of political and social structures in Italy, undermined by the traditional mistrust between the citizen and the State (certainly not attenuated by twenty years of dictatorship) and the disparity of accepted values among the different social groups. Generally speaking, the connection between the 'opening to the Left' and the economic crisis would seem to be mainly psychological; and this is also true, incidentally, of the connection between the Government's recent measures for dealing with the crisis and the improvement in the economic situation.

Nationalization of electricity and crisis in the building industry

The objective causes of the crisis that merit detailed examination boil down in effect to two: the nationalization of electricity, and the measures in relation to building—the urban development law and the tax on building land values.

Nationalization of electricity had been envisaged as a definite possibility for at least ten years: indeed, the most go-ahead electricity concerns, such as Edison, had already for some time past begun to branch out into new activities. The indemnity to be paid, reckoned on an average of the previous three years' business, was on the whole pretty satisfactory. Lastly, the formal announcement of nationalization was made when the stock-exchange crisis had already been going on for a year and seems to have had no noticeable effect on the general index of quotations. It must also be remembered that the stock-exchange value of the shares of the expropriated concerns represented less than 17 per cent of the total. Anyone who is inclined to believe that the prospect of nationalization may, at most, have hastened the crisis by some months should also remember that its subsequent effects were actually to the companies' advantage. For the expropriated companies were, in fact, the only concerns in Italy to have large sums of available ready money at their disposal after the tight-money policy came in.

As far as the urban development laws are concerned, it should be remembered that both the measures for taxation on increased land values and the law enabling municipalities to expropriate land within the framework of town planning (measures approved, respectively, in 1963 and 1962) were substantially prepared by 'Centre' Governments. They would also appear to be considerably less severe than those in force in other European countries. The main and most justified reproach to be made against the Government concerns, rather, the uncertainty and obscurity that has always surrounded the urban development law itself. Between 1960 and 1965 at least four drafts of this law were prepared, not counting variations: none of these drafts was ever officially made public. Swift approval of the law, even in its most drastic form, would probably have had much less serious results than this uncertainty. It would also probably have prevented the adverse effects of unwise speculation which, especially after the policy of credit restrictions came in, created serious difficulties for otherwise perfectly sound concerns in various branches of business.

In my view, however, the crisis in the building industry cannot be mainly attributed either to the long-drawn-out discussion of the urban development law or to the effects of speculation. Reliable estimates show that the cost of labour in the building industry (where it is a recognized fact that only limited increases in productivity can be achieved) rose by 20 per cent in 1963 and by over 33 per cent in 1964. It seems clear that increased costs of this order would have created a crisis in any industry, quite irrespective of the threat of legislative reforms. It also seems equally clear that the ultimate cause of these increases is to be sought in the exceptionally rapid expansion of demand coupled with a relatively inelastic supply, in the short term.

These observations, which in my view, can be extended to cover the

economy as a whole, lead on to a consideration of the question of wage increases. This is certainly the least disputable of the immediate and purely economic reasons for the crisis. The rapid rate of wage increases in the building industry represents a record. Between the end of 1960 and the end of 1962, the index figure for wages under contract in the industry (a figure which, because of growing tension in the labour market, certainly underestimates the actual increase of costs) rose by 14 per cent. During the same period, total wages received by workers in the industry rose by 26·7 per cent in monetary terms, as against an increase of 22·5 per cent in the net national income. In 1963 the gap was even wider, with percentages of increase of respectively 21·6 and 12·9.

Thus there can be no denying that between 1960 and 1963 a colossal process of redistribution of incomes took place in Italy; and it is this, rather than the timidity of the potential investor, which provides the explanation for the difficulties encountered by business concerns in attracting investment on the open market. In the present writer's view, it would denote a tremendous error of perspective to attempt to account for a process of redistribution of these proportions by the malign influence exercised by the new Government—especially in the absence, be it noted, of any provisions that could effect a substantial change in the institutional framework within which the trade unions operate.

Relationship between 'miracle' and crisis

Thus the root causes of the crisis are to be sought rather, in my view, in the extraordinary speed of development which gave rise to the so-called 'economic miracle', and in its repercussions on the country's economic structure.

It is worth while recalling a few figures in this connection. The average *per capita* income in Italy in 1950 was 211,000 lire; by 1962 it had reached 570,000 lire, giving an average annual rate of increase of 14 per cent in monetary terms, and of 8·5 per cent in real terms. During the same period there were increases corresponding to an average annual rate (in quantity) of 27·5 per cent in exports; of 30·3 per cent in steel production; and of 55 per cent in automobile production (and, roughly speaking, in sales on the home market). This expansion was reflected in a rapid change in the economic structure. Agriculture, which in 1950 had contributed 26 per cent of the gross national income, after twelve years accounted for only 15·4 per cent, while the share of industrial production rose from 33·6 to 40·2 per cent.

But the most important aspect lies in the transformation brought about by this development in the whole way of life and in relationships between the different social groups. One of the most obvious manifestations of these changes is the migration of workers from one part of the country to another, and especially from South to North. The purely economic fac-

tors—the discovery of natural gas, trade liberalization, industrial development of the South, membership of the Common Market—undoubtedly provided the basic conditions for the 'miracle'; but it certainly would not have happened without a real revolution of a social and cultural nature. It is difficult to assess precisely the importance of other contributory factors such as the spread of television and of motorization, or the temporary emigration of workers to Common Market countries, which provided the possibility of comparison with living standards in other countries. These factors in the course of a few years revolutionized the whole scale of accepted values of the more backward Italian communities.

The exceptionally high rate of capital accumulation during the decade 1950–60 (which represents the immediate cause of the economic advance in Italy) could not have been achieved without the operation of these forces, which set free enormous reserves of labour and stimulated personal initiative, without provoking, in the short term, any marked changes in the political and economic balance of power between the social groups. That balance, in fact, remained a good deal nearer to the 'pre-miracle' situation in Italy than to that existing in other more advanced European countries; or, if it shifted at all, it moved much less quickly than the economic set-up itself.

Such a situation could not be expected to last long, especially since the approach of full employment in some areas, even if it applied only to skilled labour, increased the economic and social tensions between the different groups. The change of balance can be measured, in strictly economic terms, by comparing the progress of the rates, respectively, of labour productivity and of wages. In the manufacturing industries during the period 1954–60 the annual percentage increase of productivity exceeded the percentage increase in wages by an average of four points. In 1961 the gap between the percentage increase of wages and of productivity was equal to 2·2; in 1963 it reached 6·7.

It seems clear that in a situation of this kind it is impossible to establish a precise causal relationship between political and economic events—or, to put it more simply, between the 'opening to the Left' and the redistribution of wealth. It is, rather, a question of largely parallel manifestations of deeper evolutionary processes. If the situation was at all affected by purely political influences, these probably arose rather from events outside Italy itself, for instance the period of peaceful coexistence initiated under Khrushchev, Kennedy, and Pope John XXIII. In any case it seems likely that any delay in the change of balance would have involved even more severe social tensions than actually occurred.

If this interpretation of the relationship between 'miracle' and crisis is correct, we can perhaps go a step further and say that the crisis also marks the transition to a different evaluation of priorities on the part of Italian

society, as a result of the altered political strength of the various social groups.

Future prospects

It would seem that this will imply the end of the 'miracle' in its most spectacular external manifestations, coupled with a definite effort on the part of those concerned in it to adapt themselves to the new state of affairs. The entrepreneur will come to rely on nationalization of production and market research rather than on flashes of inspiration; the investor will exercise a careful choice among the most promising companies rather than hoping to chance on a lucky speculation.

Provided no great mistakes are made, the average rate of development of the economy should remain high. The cultural and economic factors that brought about the 'miracle' continue to operate, if in a less explosive way. Ample reserves of manpower exist, which will move gradually from agriculture and tertiary activities to industry; there is plenty of room for technical and organizational innovations in concerns that have grown too fast; the process of integration with the economies of the Common Market countries is far from being exhausted. And, above all, it must not be forgotten that, despite the 'miracle', the *per capita* income in Italy in 1963 was still only about 60 per cent of the average for the EEC as a whole, Italy included, while consumption was about 64 per cent of the EEC level.

The characteristics that Italy's economic development will assume in the next few years will, however, depend to a considerable extent on the execution of the Five-Year Development Plan lately put forward, on behalf of the Government, by the Budget Minister, Giovanni Pieraccini, himself a Socialist. This document, the outcome of a series of studies and political compromises which have been going on ever since 1962 when the first Centre-Left Government came in, seems indicative of the moderation shown by the Socialist Party since its actual entry into the Government at the end of 1963, when its radical left wing split off to form a separate party (the *Partito Socialista di Unità Proletaria*, or PSIUP)—a moderation regarded as excessive by some critics, not all of them confined to the Opposition ranks. Even in business circles the Plan has been quite well received: their protests seem in general to be due more to a sort of conditioned reflex than to actual specific fears. Doubts have come, rather, from the trade unions, who regard as suspect the Government's proposals for an incomes policy.

On the whole, the Plan does not, in fact, envisage important institutional innovations. Its main provisions, apart from the creation of a special organ at ministerial level for the execution of the Plan, cover: control of financial issues, according to an established order of priority; the possibility of obtaining information from firms about their plans for develop-

ment; expansion of public and subsidized building; and centralization of the organizations for medium-term industrial credit. The Plan is to be carried out side by side with reforms in public administration and the fiscal system.

The general aim of the Plan is to secure a more equitable distribution of the national income, both regionally and by destination of investment. The funds allocated for 'social purposes', including housing, show a relatively small increase, rising from 24 to 27 per cent of the available resources (which are expected to increase at the rate of 5 per cent per annum). Greater changes are envisaged, however, in the territorial redistribution of investment, including an actual reduction of investment in the Northern regions and an increase for the South. These results are to be achieved (apart from the new measures already mentioned) through the medium of the Cassa per il Mezzogiorno (the Southern Development Fund, established in 1950 and now to be prolonged for a further fifteen years) and, in particular, through improved co-ordination of State-controlled concerns: principally, ENEL (the *Ente Nazionale per l'Elettricità*—electricity concerns), ENI (the *Ente Nazionale Idrocarburi*—energy resources), and the IRI (*Istituto Nazionale per la Ricostruzione Industriale*) group of industries, including the major part of the steel industry. Since the State-controlled concerns comprise the major part of the basic industries and a considerable part of the others, including the banks, it is possible in Italy to exercise a determining influence on the course of the economy simply by manœuvring the consolidated budget for the public sector, and by restricting to a minimum the pressures on private concerns. According to the Plan's forecasts, these State-controlled concerns should account for investment to the value of some 5,300,000 m. lire over the five-year period, out of a total of 11,000,000 m. to be invested in the industrial sector.

Thus on the whole the execution of the Plan should not call for revolutionary innovations in any direction. The doubts it arouses are concerned more with the problem of adjusting its execution to possible temporary or more long-term changes in the economic situation. It presupposes, as a working hypothesis rather than a fixed target, an annual rate of increase of 5 per cent, which the economy should be able to maintain in the coming years. But should it fail to do so, the mechanism for carrying out the Plan would need to be a fairly flexible one so as to allow it to be used as an instrument to combat a possible economic crisis or to further expansion, while at the same time avoiding tying up in the Plan a too large share of the available capital, at the expense of private concerns (as happened, for example, in 1964 and the early months of 1965). This would obviate the risk that Italians might have to pay too high a price, in terms of either development or of subordinating the private to the public sector, for a more equitable distribution of their resources.

Recent reforms in East Germany

MANFRED REXIN

On the twentieth anniversary of the capitulation of the Nazi Reich, Russian and East German troops paraded through the centre of East Berlin, armed with the most modern weapons, heavy tanks, and anti-aircraft rockets, and on the saluting base next to Walter Ulbricht stood the Russian Prime Minister, Kosygin, Cyrankiewicz, the Polish Prime Minister, delegates from the two biggest Communist Parties of Western Europe, Longo from Italy and Duclos from France, and also a representative from China. (Only nine weeks before, Kosygin had paid a visit to the D.D.R. to the Leipzig fair.) In the reply to the goodwill messages of the foreign delegations, and in numerous speeches and articles commemorating the end of the war, there was an unmistakable note of self-confidence on the part of the East German Communists, which had not been noticeable four or five years before.

East Germany's leaders see in the Pact of Friendship and Assistance which was signed in Moscow on 12 June 1964 between the U.S.S.R. and the D.D.R. a guarantee underwriting their regime which is no less firm and unequivocal than the guarantees of the three Western Powers for the freedom of West Berlin. Twenty Soviet divisions still remain stationed in the territory between the Elbe and the Oder. Should the Russians, as is conjectured, decide to propose in the near future the withdrawal of all foreign troops from Germany, this would necessitate a reform in the political methods of the ruling party, the *Sozialistische Einheitspartei* (SED). A sudden collapse of their regime would not be likely, however. The German Communists' own means of exercising their authority—through the army, the police, the workers' 'cadres' in factories and management, and the State security service—have been modernized and enlarged in recent years so that the SED is armed against outbreaks and risings, such as those of June 1953 and autumn 1956.

The Party leadership believes, therefore, that it can contemplate the future with greater confidence than ever before. It is true that it has not accomplished many of its aims, particularly in the field of foreign policy: the peace treaty with two separate German States which has been energetically sought since 1958 has still not been achieved, and it has not been able to change the status of West Berlin in the way it wished. In

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April this year, for the first time for six years, the Bundestag again held a plenary session in the old capital of Germany. Since then the East Berlin authorities have conspicuously stressed the responsibility of the three Western Powers for West Berlin's internal order and representation abroad. Their main aim is no longer the withdrawal of the Western garrisons from Berlin and the proclamation of a 'free city', but the breaking off of the existing political ties between West Berlin and the Federal Republic. The treaty of 12 June 1964 expressly emphasized 'the existence of two sovereign German States' and designated West Berlin as 'an independent political unit'.

The D.D.R. is still denied full international recognition. She has embassies only in the countries of the Eastern bloc and in Cuba. Legations have been exchanged with Yugoslavia, and consulates-general have been opened in eight countries—Burma, Ceylon, Indonesia, Iraq, Yemen, Cambodia, Tanzania, and Egypt. In addition, trade representatives, some with consular rights, exist in a further fourteen non-aligned countries, and similar representation is to be set up in Cyprus. Economic relations with fifteen West European countries are looked after by permanent representatives of the State 'Chamber for Foreign Trade of the D.D.R.'. But since Ulbricht's State visit to the United Arab Republic created a grave crisis in the Middle Eastern policy of the Federal Republic, the East Berlin regime is increasingly confident of the dwindling effectiveness of the Hallstein doctrine as proclaimed in Bonn. Even apart from this, West Germany would have been obliged to overlook the fact that, below the formal level of diplomatic relations, contacts between the D.D.R. and many States of the West and the non-aligned world have been established for a long time. Ulbricht, the Chairman of the Council of State, Stoph, the Chairman of the Council of Ministers, and Bolz, ex-Foreign Minister, let no opportunity slip for bringing the D.D.R. to the notice of other countries on special occasions by means of correct and formal goodwill messages. Parliamentarians, Ministers, diplomats, academics, and businessmen visit East Germany in increasing numbers, although their countries avoid establishing diplomatic relations in deference to the Federal Republic. The SED Party leadership knows that years of isolation in foreign policy still lie before them. Even so, they are already trying to reap the fruits of their diplomatic activity, especially in the Arab world.

Economic reforms

In the economic field an energetic reform of the whole East German set-up was initiated in 1963 in connection with the Liberman debate in the Soviet Union. At its fifth Party conference in the summer of 1958, the SED promised that by the early 1960s it would have succeeded in its 'main economic task', namely, to catch up with and overtake the Federal

Republic's *per capita* output in all the main branches of production. This was a completely unrealistic aim. Industrial productivity in East Germany is about 25–30 per cent below that in the Federal Republic. The real income of the four-member household of an average employee in the middle-income group amounts at present to about three-quarters of that of a comparable West German family; and this comparison takes no account of the difference in quality and the fluctuating supply of goods. The German Communists were not well advised to choose to measure their position against the superior economic resources of the well-appointed Federal Republic. In comparison with the economic development of Italy or Spain during the last two decades, on the other hand, the D.D.R. can point to a considerable achievement and a respectable rate of growth. She counts herself among the ten greatest industrial countries of the world. She is the biggest trading partner of the Soviet Union, with whom she carries out more than half her turnover in foreign trade; and within the Council for Mutual Economic Aid (Comecon) she occupies second place after the Soviet Union and ahead of Czechoslovakia and Poland.

After the Seven-Year Plan published in 1958 had to be filed away as unrealistic, the planning authorities worked on a new Seven-Year Plan for the period 1964–70. Its aims are more realistic. Compared with the growth figures of the 1950s, the expansion rate has diminished, which is not surprising in view of the greater industrialization now achieved. In the past year 1964, the national income rose by 4·7 per cent in comparison with 1963, industrial production by 6·7 per cent, the volume of investment by 6 per cent (in 1964 the investment plan was only fulfilled up to 97 per cent), and the available real income of the population by about 3 per cent. Agricultural production (excluding subsistence agriculture) rose in 1964 by 8 per cent according to official statistics, and the market output of agricultural products reached its highest figure since the end of the war. The East Berlin authorities were therefore able to cope more easily with the consequences of the bad Soviet harvests, when the Russians failed to keep their promises of more meat and butter deliveries.

The rise in agricultural market production is not, of course, to be unconditionally equated with growth in agricultural productivity, for a change in the price system for agricultural products has undoubtedly had an effect on the situation. During 1960–1, output per hectare declined following the completion of agricultural collectivization. Gross blunders in agricultural policy were one of the causes of the heightened economic crisis and the increase of population exodus immediately before 13 August 1961. It is obvious that since then the agricultural situation has improved, although the majority of agricultural cooperatives still do not reach the level of efficiency which seems possible considering the present state of agronomics and agricultural techniques.

Since East Germany is very poor in raw materials, apart from brown coal and potash, she must live by foreign trade. Her foreign-trade turnover in 1964 was about 10 per cent larger than in 1963; the rate of increase in trade with the Eastern bloc amounted to only 8 per cent, while her trade with the neutral and Western countries increased by about 20 per cent and with the Federal Republic by 24 per cent. These surprising figures would lead to false conclusions, however, if one did not at the same time bear in mind the fact that trade with the West was sharply reduced in 1961 and 1962, after the building of the Berlin Wall; only now has the D.D.R. succeeded in intensifying once again the trade relations which were interrupted or weakened during that period. On the other hand, one should not overlook the fact that the East Berlin economic planners also have a heightened interest in the world market. In accordance with Stalinist economic policy, East Germany from 1949 to 1954 tried to be as autarchic as possible and to develop all the most important industries within her own territory. Then, from the mid-1950s onwards, when the Council for Mutual Economic Aid became increasingly significant as the means of co-ordinating planning and foreign trade, the D.D.R., under the slogan of 'concentration, specialization, and co-operation', urged a comprehensive division of labour within the East European bloc. The tendencies which have developed recently, however, may be regarded as a greater orientation towards the world market.

The Comecon countries' share in the foreign trade of the D.D.R. amounts at present to about 72 per cent of the total. The State Planning Commission in East Berlin is now concerned not only with looking out for high-valued investment goods in the world market in the future, but also for licences. On 1 February 1965 a new government decree covering the acquisition, disposal, and exchange of licences came into force. It is true that the purchase of foreign licences is costly, but the SED Party thereby hopes for a saving in the high costs of scientific research and technical development, and Ulbricht quotes the Japanese as an example.

As one surveys the scope of the East Berlin authorities' economic efforts, the reform of the management of the economy stands out as the most important phenomenon. When Professor Liberman of Kharkov formulated his critical objections to the existing planning system in the autumn of 1962, the SED pricked up its ears. More rapidly than the other Communist Parties of the East European bloc, it decided to adopt the proposals of the Soviet reformer. At its Sixth Party congress in January 1963, at a big economic conference in June of that year, and in many speeches to the Central Committee, Ulbricht outlined a 'new economic system for the planning and management of the national economy'. Two distinguished economists have played the chief part in the setting up of this new planning system: the head of the State Planning

Commission, Dr Erich Apel, and the Central Committee Secretary for Industrial Affairs, Dr Günter Mittag. Both represent a new type of SED functionary; they belong to a group of scientifically trained specialists in the Party leadership who have gradually acceded to the positions of the old Communists, who carried on a life-long ideological struggle as 'professional revolutionaries' in the Leninist sense.

For quite a time the SED has given the impression that it was well ahead of its neighbours in Eastern Europe in its reforming zeal. Only very recently have the Czechoslovak economic planners decided on changes in investment- and price-policies, which go beyond the intentions of the SED. In the D.D.R. they are trying to put a 'system of economic leverage' (*System ökonomischer Hebel*) in the place of the many detailed and often self-contradictory instructions from the central planning authorities to their subordinate concerns. Thereby profit and *Rentabilität* should become the decisive criteria in assessing the state of the economy.

The central planning authorities in East Berlin—the State Planning Commission and the National Economic Council—have had to delegate a substantial share of their powers of decision-making to the 'People's Own Factories' (*Vereinigungen Volkseigener Betriebe*), VVB, and to individual companies. There are in all 80 such VVBs which the East German authorities recently designated as 'socialist concerns'. In each case, they manage all the important State concerns of a particular branch of industry and are usually located outside East Berlin where the works which they administer are situated. The 80 General Directors of the VVBs directly control two-thirds of industrial production in the big concerns and indirectly, through so-called 'production-groups' (*Erzeugnisgruppen*), the remaining one-third which is produced in the small State concerns and the private and semi-State undertakings. About 15 per cent of the gross national product comes from the private and semi-State concerns, and 85 per cent from the 'socialist sector' of the national economy, that is, from the *Volkseigene Betriebe* and the co-operatives.

The General Directors of the VVBs are key figures in the East German industrial economy, and are specially trained. The Party demands from them not only political and ideological trustworthiness but also a high degree of competence, readiness to take responsibility, and the technical skill to enable them to take quick decisions. By means of a system of premiums, the General Directors of the VVBs and the managers of individual factories are given a direct interest in fulfilling the targets of the Plan and in realizing profits over and above those planned.

In order to set up a rational method of reckoning costing and profits, the SED has had to bring in a comprehensive reform of the price system, and this has not yet been finally settled. In the past the prices fixed by the State often bore no relation to production costs. Distorted price-relations gave rise to a senseless wastage of productive capacity and to a costly

misinvestment. Beginning with the price of raw materials and power, reform of the price system should now lead to a better alignment of prices and costs.

The SED has brought in new and complicated reforms with regard to wages. Formerly wages were as a general rule paid on a straight piece-work basis. Now factors such as the quality of the goods produced, savings in cost, and utilization of capacity play an important part in the computation of weekly or monthly wages. Premiums are also used as an incentive to urge the workers to increase their output.

The VVBs, factories, and trading concerns are also urged to research into the actual demand and consumer habits of the population so that the sale of consumer goods becomes feasible. In the past it so happened that concerns often produced goods for which there was no demand.

Economic theorists are not yet agreed on many questions. As with the system of pricing the means of production, so also depreciation rates have been changed. In order to force concerns to the full use of their plant and machinery, the SED is considering ceasing to provide capital free of cost and the imposition of a 'production-fund tax' (*Produktionsfondabgabe*). Behind this idea lies nothing less than a kind of interest-payment on capital. Whether the same rate of interest should be used for all branches of the economy and how high this 'production-fund tax' should be are still open questions, however.

Nevertheless, the 'new economic system' on the whole leads one to expect that the planned economy of the D.D.R. will, in the coming years, work in a tighter, more efficient, and more go-ahead way than in the past.

Labour shortage

The Government must also reckon on a labour shortage in the future. The fall in the birth-rate during the war and the post-war years and the exodus of almost 3 million people to the West, among them very many young workers, have resulted in a steep rise in the age of the population; the population structure is much less favourable than in West Germany or in any other country affected by the war. It is significant that in 1952 there were 544,000 school-leavers entering industry as apprentices and in 1961 there were only 247,000. Since then the figure has risen again, it is true, but there is still a shortfall in the rising generation. For every 100 people of working age (from fifteen to sixty-five for men and to sixty for women) there were before the war forty-eight people of non-working age (children and pensioners). In 1950 this ratio stood at 100:58 and in the December 1964 census at 100:73. Naturally this extremely lop-sided demographic pyramid will revert to normal in the course of time, and the State is also trying to increase the birth-rate by subsidies. But because of the rising death-rate in a population top-heavy with old people, and the decline in the number of women of child-bearing age, any surplus of

births tends to be cancelled out, so that demographers can expect no population increase in the D.D.R. until the end of this decade.

Although the population has decreased from year to year, the Government has succeeded in raising the number of workers. In 1952 there were 11,557,000 people of working age, and at the end of 1963 only 9,753,000. In the same period, however, the total labour force rose from 7·3 to 7·6 million. This was possible only because about a fifth of those due for retirement remained at work and because women were induced to take up work. Seventy per cent of women of working age are now working. The D.D.R. has the highest percentage in the world of women at work, comparable only with Czechoslovakia.

Most of these women were insufficiently trained. New arrangements had therefore to be made to qualify them, and the SED can boast a certain success in this field. Nevertheless, most women workers are unskilled or semi-skilled; the proportion of skilled female workers is much smaller than that of men.

Educational changes

Bottlenecks in the planning of the labour force lay at the root of new educational reforms which were also brought into force in 1963. As in the other East European countries, polytechnic instruction (*polytechnische Unterricht*) was introduced in 1958–9. From September 1958 all schoolchildren after the seventh school year (more than 400,000 of them) had to pass one of the six weekdays not in school but in some industry or in an agricultural co-operative. This system was supposed to give them a general introduction to modern production methods. But specialized vocational training began only after leaving school, usually after the ninth or tenth grade. Since 1963, however, it has become the practice to start basic vocational training during the last two years of the ten-grade school, and technical examinations (*Facharbeiterprüfung*) take place one or two years earlier than was previously the case. Special schools exist for the education of exceptionally gifted young people for highly qualified occupations. It was still the custom only three or four years ago to speak derogatorily of 'bourgeois aptitude theories', but the search for talent is now stepped up. Natural science and technical subjects are the hall-mark of the ten-grade schools and of the educational establishments preparing for university entrance.

In the universities, Hochschulen, and technical colleges, and in the scientific research institutes economic considerations also play a role. The SED has had to admit that it cannot keep up the competition with the West if it does not break out of its self-imposed intellectual isolation and take cognisance of developments in the outside world. For years the SED regarded Western sociology simply as a means of justifying capitalism. Recently, however, Marxist-Leninist social scientists have

explained that one must differentiate between two functions of the science in the capitalist world—an ideological-apologetic function and a practical-rational one. Bearing the latter function in mind, one need not fear to learn from Western scholars. At the beginning of the 1960s the SED rediscovered sociology. Under strict Party supervision many important surveys were carried out with a representative cross-section of the population. The results, about only a part of which the public was informed, must have helped the Party leadership to deploy more refined methods of control and more effective means of persuasion and propaganda. The social scientist now takes the place of the secret police, who in the past were charged with the collection of information about the real behaviour and attitudes of the population. Moreover, empirical social research in the D.D.R. is obliging the Party leadership to take a different view of the social structure.

In December 1964 the Central Committee assessed the first full survey reports. These revealed that, though the population approved all measures taken to preserve peace, they were still 'in two minds' about the cause of the division of Germany and the 'character of the two Germanies'; they denied the necessity of the events of 13 August 1961, when the frontier was closed in and around Berlin by a stone wall. The people nursed different expectations of the future from those of the SED.

This was an indirect admission of the fact that the German Communists have not yet succeeded in convincing the majority of the population in their sphere of influence of the rightness of their policy. No one should draw from this observation, however, the mistaken conclusion that the millions who at that time said 'No' to Walter Ulbricht's regime were unreservedly supporters of West Germany and her economic and social system. On the contrary, their critical reservations *vis-à-vis* the West have become even stronger. Among the younger generation the conviction is growing that a 'third way' must be found—beyond East and West, and outside the capitalist market economy and the planned economy of Communism. These young people are fed up with the heavy-handed propaganda of both social systems. They passionately affirm the freedom of the individual, and the elementary basic rights of the citizen. They defend themselves against the power pretensions of a ruling party. But it seems that they strive to realize their ideas of freedom and social justice in a society quite differently conditioned from that existing in the East or the West of Germany. In the midst of the social reconstruction of the 1960s, therefore, a change in the consciousness of the broad mass of the population has also begun. This process is turning out differently from the way the German Communists had hoped and expected, and it also no longer corresponds to the picture which people in West Germany had built up in the 1950s. The reality has gone far beyond the pipe-dreams of the powers that be.

The EEC's common agricultural policy

TREVOR PARFITT

WHEN Dr Mansholt addressed the European-American Symposium on Agricultural Trade in Amsterdam in November 1963, he had to admit that the European Economic Community could not negotiate on agricultural policy because it did not have a policy. The December 1964 decision on harmonizing cereals prices went so far towards overcoming this handicap that by March this year the Commission was in a position to take the initiative and announce its proposals for a new grains agreement to be worked out in the Kennedy Round. This transformation does not mean that the common agricultural policy is now in its final form and operating smoothly. It is a balloon that has not yet been fully inflated and will probably end up a rather less regular shape than was originally intended. The transitional period is not yet over and some difficult decisions remain. Nevertheless, it is now possible to get a little closer to seeing how some of the aims are likely to be realized in practice.

The natural tendency in non-member countries is to concentrate on trying to assess the effect of the common policy on the rest of the world. But the starting-point must be developments within the Community itself, and it is perhaps worth recalling the primary objectives of the policy: to create a single market for farm products and within this to make European agriculture more efficient; to improve farm incomes; and to stabilize markets, guarantee supplies, and ensure reasonable prices for consumers. In short, the emphasis is on doing something for European agriculture and not on worshipping at the throne of trade liberalization. Of course, while Dr Mansholt is at the helm, trade will not be lost sight of; as he told an American audience in February, he wants to create 'a market without surplus domestic production and with room for imports from efficient overseas producers'.[1] But Community preference is bound to remain paramount.

The main lines of approach are by now familiar enough: the gradual removal of barriers to the free circulation of agricultural produce between member countries; a common system of protection at Community frontiers to replace existing national systems; and the common financing of structural improvements, market interventions, and export subsidies.

[1] Speech at National Farm Institute, Des Moines, Iowa, 11 February 1965.

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The basic pattern resulting from this approach is also familiar. First, a single target price. Next, a support price, a little lower than the target price, below which prices will not be allowed to fall. And, finally, a variable levy to ensure that imports are not put on the market at less than the target price.

The emphasis is firmly on price, on the ground that the first step towards improving farmers' incomes is to give them better prices for their produce. The job of making sure the prices are maintained falls to the Agricultural Guidance and Guarantee Fund, which can intervene on the open market when the price begins to fall below the target price and must buy everything offered to it if the price actually falls to the support level. Equally, if prices rise above the target price, the Fund can sell any stocks it may have accumulated through support buying. And, of course, if prices do rise above the target price, imports will obviously be attracted.

Cereals arrangements

The cereals arrangements provide the clearest example of how this pattern may work out in practice. First, a basic target price has been fixed for each of the main cereals and will come into effect on 1 July 1967, ready for the 1967–8 season. This price will be applied at the wholesale stage at Duisburg, West Germany. Duisburg was chosen because it is the main marketing centre for the Ruhr, the area with the biggest shortage of cereals in the whole Community, and therefore an importer both from member and non-member countries. But the Duisburg price will not be applied uniformly elsewhere. Various regional centres have been designated, and these will have their own target prices, based on the Duisburg price but modified to encourage the most efficient pattern of inter-regional trade. As the support price is calculated from the target price, this too will vary from region to region. The first step in calculating the protective levy will be to fix a threshold or minimum entry price at Rotterdam, the main port of entry for the Ruhr. This threshold price will be the target price at Duisburg minus the transport costs between Rotterdam and Duisburg. The levy will be the difference between this Rotterdam threshold price and the world price each day, and will apply at all points of entry into the Community.

These are the three main elements, the 'pure form' of the Commission's theory of agricultural policy. How far has the form had to be distorted for practical or political reasons?

First, the target price is supposed to be fixed at a level which will give a fair return to efficient producers. To give practical expression to this idea alone would be difficult enough; but the price fixed had also to be high enough to attract grain from France to Duisburg despite transport costs and to go some way towards satisfying high-cost German cereals pro-

ducers—while being low enough to avoid encouraging over-production in France. Few outside observers think this last risk can be avoided, but at least the Commission finally secured an agreement.

Part of the price of this agreement was special financial compensation, on a declining scale for three years, to farmers in Germany, Italy, and Luxembourg for accepting lower grain prices ahead of schedule. Germany had a further special dispensation because she is the only member country where large quantities of rye bread are eaten. Support buying for rye for baking will be allowed at DM10 a ton above the normal support price, which applies to rye used as a feed-grain. Similarly, all member countries are empowered to use a different scale of support prices for brewers' barley as opposed to feeding barley. There are special arrangements for durum wheat, grown only in France and Italy.

Italy has a second concession because her beef and dairy farmers are so dependent on imports of feed-grains. These farmers are already at a disadvantage because of the inadequate turn-round capacity of Italian ports, which often results in substantial demurrage charges. Unloading charges, too, are higher in Italy than in the other main ports of the Community. To apply the full levies based on the level of the newly agreed common prices for barley and maize would increase the cost of importing these grains into Italy still further, so Italy is to be allowed to impose reduced levies. This concession does not mean the principle of Community preference has been forgotten. The Guidance and Guarantee Fund is to pay a compensating subsidy on imports from member countries, and the concession is only to last until the end of the 1971–2 marketing year.

These are specific modifications to cope with particular problems, and it seems likely that they will be reinforced by the prices set at the regional centres. The aim is to secure the most logical pattern of production so that natural advantages can be used to secure the lowest-cost production and the most economical pattern of regional trade, and one can foresee a considerable amount of 'stick and carrot' in the Commission's future manipulation of prices. Nor will politics, which played the major part in settling the agreed level of prices for 1967, suddenly drop out of the picture. Local interests will be fought for tenaciously; and neither merchants nor farmers will be running true to form if they fail to concoct certain private arrangements to upset the Commission's calculations, even if only temporarily. Outside events, notably in the GATT, may produce further pressure to think again on price levels. And there is still the financial hurdle to overcome. Nevertheless, a recognizable policy has now been constructed.

Modifications for other commodities

It is impossible in a short article to give a detailed (and inevitably boring) account of all the regulations, but it is possible to look briefly at a few

of the modifications of the 'pure' version that have been thought necessary for some of the other major commodities.

A broiler tycoon once described the chicken as the most biologically perfect creature in the world—in other words, it will convert a given amount of feed into a greater quantity of food for human consumption more economically than any other type of stock. This characteristic is the key to the Community's policy on both table poultry and eggs. Feed may be as much as 80 per cent of the total production costs, so by fixing common cereal prices the Community has gone a long way towards harmonizing production costs for both eggs and poultry. With the major production cost the same for everybody, profitability becomes primarily a question of efficiency. There are to be no target prices and no support prices; the inefficient have nothing, therefore, to fall back on. Already a 'standard performance' that the producer ought to get from his laying hens has been worked out, and by the end of the transition period there will be no protection against other producers inside the Community. Protection against imports from outside the Community will take the form of a levy, calculated at least partly to offset the higher feed-grain prices obtaining in the EEC.

Whether this pattern will endure remains to be seen. In the case of table poultry it probably will. Protection to offset the higher cost of feed-grains is all the broiler barons need. Already big units are being planned and established—including Dutch, British, and American ventures—and, once the barriers between member countries are down, all the advantages of scale will be there for the taking. The broiler chicken is the one agricultural product which lends itself almost completely to an industrial 'factory' approach, and the Commission has rightly thought in terms of an industrial operation. There may still be one or two loopholes—the Danes recently discovered it was possible to get round the current levy by sending in chicken pieces instead of whole birds—but the Commission's draftsmen can be relied on to close these.

No one has yet managed to set up an egg operation on the same scale as for broilers, although the attempt is being made in Britain. Should it prove successful, and be copied in Europe, it will be interesting to see whether or not the Community will be able to avoid introducing measures to help smaller egg-producers. There will almost certainly be political pressure from farm organizations to prevent smaller producers being squeezed out.

The possibility of exports has not been overlooked, and export rebates are provided for both eggs and table poultry. At this stage it seems unlikely that these rebates will in fact become much of a charge on the Community funds. The EEC broiler industry is not yet in any position to compete with the Americans, and the openings for egg exports are distinctly limited unless some specific aid schemes are developed for egg products.

Pig-meat is usually looked on as the third form of 'processed cereal', but what pigs are fed on in some places is anybody's guess. However, in Germany and the Benelux countries cereals form 60–80 per cent of the pig's diet, and the Commission decided to use a system similar to that for eggs and poultry. There is an added complication with pigs because of the variety of pork products; it is not just a question of handling a carcass or single product as with chickens or eggs. The Commission had hoped to have, by June 1964, the results of a pilot scheme taking this complication into account, but a period of high prices for all pigs made it impossible to test the scheme under adverse conditions (i.e. when prices are low and producers want more assistance). The scheme has therefore been extended, and no conclusions have yet been reached.

The arrangements for beef and veal have been coloured by the prospect of a firm market for the foreseeable future. The same basic elements are there—guide or target prices (at present fixed within a bracket laid down by the Council of Ministers but due to be completely harmonized next year) and provision for intervention on the market if prices fall a certain percentage below the guide price. But because the Community wants imports—this year it is expected to need about 700,000 tons of imported beef and veal—the main protection at the frontier will be a common tariff, with variable levies imposed as added protection only when necessary. It is expected that the market will be so firm for most of the year that the guide prices will be maintained without recourse to the levy; the Community will thus be a profitable market for exporters despite the tariff.

If exporters can expect to jump the tariff barrier and still make a profit, it is worth knowing which grades of beef will fare best. Old cows which would find no market in Britain can be sold for cow-beef in Europe, but the top-grade American beef is too fat. The American third grade is about right, and lean, young Yugoslav beef has proved even more acceptable, especially in Belgium.

The Commission was faced with utter confusion when it set out to create a common market for milk and dairy products. Mention of just a few of the complications will indicate the fantastic difficulty of imposing the standard pattern of target prices, market intervention, and levies. The overriding problem is that milk and dairy products make up the most heavily subsidized part of agriculture throughout the Community. The subsidies are many and varied, designed to suit different conditions in the member countries and in particular to help small producers. They therefore have a considerable social significance. Producers in general do not mind whether their return comes from the market or from subsidies, and the majority probably prefer subsidies because they tend to ensure a certain level of return whatever the state of the market. Putting the emphasis on price, as the whole common policy does, gives market realities a chance to cut through this insulation and become a guide to production. In the

process, they can be expected to drive a lot of producers out of business.

Another tremendous difficulty is the great variety of milk products. To calculate separate levies for them all would have been an administrative nightmare. It was therefore decided to group related products, fix a pilot product for each group, and calculate a levy for that one product. It has not proved possible for this attempted streamlining to be applied in every case—the differing fat content of baby foods, processed cheese, and whole-milk powder defeated it—but it has gone a long way towards making the problem manageable.

What has not always been clear is just what is or is not a milk product. The standard ones like butter and cheese are obvious enough, but some products containing milk—casein, for instance—are classed as industrial products under the EEC Treaty. Various feed compounds also include milk. To make sure they are all covered, a broad division has been made: those which contain over 50 per cent milk will come under the milk regulation, those which contain less than 50 per cent will come under the cereals regulation.

These are a few of the headaches, and a start has been made towards curing them. Target prices have been established within an agreed bracket (as with beef) for milk with a 3·7 per cent fat content. The member countries are in no great hurry to dismantle their existing subsidy systems, but from July 1964 no new subsidies could be introduced and the existing ones had to be reduced by one-seventh during the first year of operation of the regulation, which came into force on 1 November 1964. It will be a major triumph if this part of the common policy can be made to work. There is a long way to go, with the prospect of considerable delaying action by farm organizations as their members begin to feel the loss of national subsidies.

Quality control

The main pattern, then, is established. The rice regulation is broadly in line with the main cereals provisions, and sugar, oils, and fats are expected to have their own variations on the theme. The one group out of line is horticultural produce (plus wine). Here the main consideration is quality control, and since 1962 intra-Community barriers for the different grades of produce have gradually been reduced. By next year 80 per cent of horticultural produce will be free of State intervention, and the standard grades will make it possible to buy produce 'sight unseen'. A commitment from the Council to make the fruit and vegetables regulations as effective as those for other commodities, and in particular to provide adequate protection against imports, was part of the price for Italy's acceptance of the harmonization of cereals prices in December 1964.

One interesting point has emerged from experience during the past three years. Growers in the cooler parts of the Community, heavily de-

pendent on glasshouse production, expected to be ruined when open-air produce from warmer parts moved into their markets. But it has not worked out that way. Italian grapes, for instance, flooded the Belgian market for one season, but once it became clear that they did not keep for more than a day or two, preference for the more expensive Belgian dessert grape grown under glass reasserted itself. Similarly, Dutch tomatoes have not been ousted by Italian or French in Holland, and have in fact begun to create a market for themselves in other parts of the Community purely because of flavour and quality. As in the case of beef, public taste is going to have a big say in what pays.

Finance

The crucial factor still to be decided is how the common policy is to be financed. The existing arrangements, under which the Community budget has step by step increased its contribution towards financing the agricultural policy (one-sixth in 1962–3, one-third in 1963–4, one-half in the current year), came to an end on 30 June. In its proposed new regulation, the Commission suggests continuing this rising scale at the same rate, which would conveniently make the Community fully responsible by July 1967, ready for the first full year of operation of the common agricultural market. All levies and customs duties would go into the Community funds, after a phasing-in period, and export rebates would be paid only on exports which implemented Community trade agreements. Finally the European Parliament would have a much greater control over the budget.

These measures are all very much of a piece. They extend the pattern begun in 1962. They remove the inequity of funds from levies and customs duties accruing to the countries where the imports come in. They do not prevent individual trade agreements—France could still do a deal to sell wheat to China—but they deny export rebates to member countries indulging in such arrangements. This could have quite an influence towards shaping a Community trading policy, and hence the beginnings of a Community foreign policy. And the suggestion of greater parliamentary control is an important step towards Community responsibility and therefore towards a political rather than an economic Community.

The Commission is doing its job in prodding the Community in this direction. It has, in effect, given two years' notice to the member countries: 'By 1 July 1967, the common agricultural policy will be fully in operation and we shall be a true economic union, so that is the time to start becoming a political union.' The rate of progress is impossible to forecast. One can expect to see delays, evasions, and 'pressure-cooker' sessions. But, whatever the outcome, the Commission has put the question fairly and squarely.

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Note of the month

India, Pakistan, and Kashmir

EIGHTEEN years ago British India gained her independence, but in so doing was divided. This division was based on acceptance by Britain of the argument that the Muslims in the sub-continent constituted a separate nation. Its result was that two interlocked new States were formed; their boundaries were based roughly on religious affiliations but millions of Hindus remained in Pakistan and millions of Muslims in India even after the communal massacres which accompanied partition. The Muslim demand for partition arose from their conviction, reinforced by experience of provincial self-government before independence, that if British India became independent as one State they would be second-class citizens under Hindu domination.

To an outsider it seems self-evident that the overriding principle of foreign policy for both India and Pakistan should be to cultivate good relations with the other. But Pakistanis tend to believe that India has never really accepted Pakistan's right to exist and there are Indians who are, at the least, unwilling to see the slightest concession made to Pakistan, while there are others who argue that concessions which appear to admit a connection between religious and state loyalty might be disastrous for the Muslim minority in India and provoke savage intercommunal violence.

At the time of independence paramountcy over the princely states in the sub-continent was abandoned by Britain and they were left, wrongly as it seems in hindsight, to make such arrangements for their future as they could. Most of them acceded to India or Pakistan, but there were three exceptions. The Muslim ruler of Hyderabad, a state lying in the centre of the peninsula, a majority of whose population was Hindu, wished to be independent, while the Muslim ruler of Junagadh, a coastal state midway between Karachi and Bombay, a majority of whose population was Hindu, tried to accede to Pakistan. Both were forcibly incorporated into India.

The third exception, Jammu and Kashmir, was almost a mirror-image of Hyderabad and Junagadh. Its ruler was Hindu, while most of its people, overwhelmingly so in the Vale of Kashmir, were Muslim. Its ruler wished his state to be independent but, faced first with Muslim unrest within the state and then incursions from north-west Pakistan,

acceded to India. The accession was accepted on 27 October 1947, with the rider that when law and order had been re-established and the tribesmen from Pakistan had been ejected the question of accession should be settled by a reference to the people; Sheikh Abdullah, a popular Muslim leader with Indian connections, became head of the state administration. India thereupon sent in troops who managed to secure control of Ladakh and the Jammu area and, with some difficulty since all its natural communications were with Pakistan, the Vale of Kashmir, the core of the state; Pakistan gained control of the northern and western parts of the state. In 1948 the Security Council intervened at India's request, a cease-fire came into operation on 1 January 1949, and on 26 July 1949 a cease-fire line was agreed upon.

India's initial claim to the state thus appeared to rest on the validity of accession by a ruler, which she had herself declined to acknowledge in the case of Junagadh, and, more convincingly, on the undoubted popular following of Sheikh Abdullah and the promise to hold a plebiscite. It really rested on the physical occupation of the Vale. No plebiscite has, in fact, been held. It must have been the original Indian calculation that a combination of Sheikh Abdullah's leadership and massive injections of economic assistance would wean the Kashmiris from any preference for independence or accession to Pakistan. But Sheikh Abdullah could not both defend complete accession to India and retain Muslim support in the state; in August 1953 he was arrested and has spent most of the subsequent twelve years under detention. Meanwhile, Jammu and the Vale have been steadily incorporated into India, and Kashmir has continued to poison Indo-Pakistani relations.[1]

In 1962, when China attacked India, and again in 1964, when there were massive and spontaneous popular disturbances in Kashmir, it seemed briefly that the Indian Government might bring itself to make concessions on the future of the state.[2] But in the past year India's attitude has once again become rigid and she has especially provoked Pakistan by carrying the process of constitutional incorporation further. Sheikh Abdullah, who had been released before Mr Nehru died and had been trying to secure an improvement in Indo-Pakistani relations and agreement on some degree of autonomy for Kashmir under the joint protection of the two countries, has been re-arrested and placed under detention in south India.

The Indians evidently reckoned earlier this year that, having possession of the Vale and being the larger Power, they could sit tight and increasingly erase all traces of Kashmir's special status without Pakistan daring to do anything about it. Unfortunately, Kashmir is an obsession in Pakistan, where a solution of the issue is thought to be crucial to the national

[1] See *The World Today*, April 1950, September 1953, and February 1958.
[2] See *The World Today*, January 1963 and November 1964.

existence. Moreover, while the Chinese threat had temporarily weakened India's position, the flow of Soviet and Western arms must have seemed likely to tip the military balance decisively against Pakistan. Early in August Pakistan began to send armed infiltrators into the Vale in increasing numbers. The Indians reacted by attacking and seizing posts along the cease-fire line, Pakistan in turn reacted with an armoured thrust towards the main Indian supply road into the Vale, and India extended the conflict outside Kashmir by attempting a full-scale invasion of West Pakistan, while China began to harass the northern borders of India.

The Security Council, with gratifying unanimity, has now demanded a cease-fire and the Soviet Union has offered her good offices for talks between President Ayub and Mr Shastri. It is to be hoped that both sides will come under increasing pressure to develop an acceptable and lasting relationship. Popular reactions to the outbreak of the fighting, in India and Pakistan, and past experience suggest that this will have to be severe and sustained to be effective.

A. S. B. Olver

The regulation of international transport

I. Transport by sea

R. O. GOSS

IN 1963 (the latest year for which statistics are available) 1,330 million metric tons of cargo were carried in international seaborne trade—620 million tons of dry cargo and 710 million tons of oil. Since 1956 dry cargo has been growing at an average rate of 3½ per cent per annum (though with year-to-year fluctuations ranging from −6 per cent to +10 per cent) and oil has been growing, more steadily, at an average rate of 9 per cent per annum.[1]

Of the 620 million tons of dry cargo, at least half can be identified as cargoes usually carried in bulk (e.g. iron ore, coal, and grain) by specialized bulk carriers or tramp ships which, like tankers, may be owned by the shippers of the cargo or (more often) chartered by them either for the voyage in question or for short or long periods of time. Some long-term time-charters extend for as much as twenty years, which is roughly the ship's life. Such ships generally carry near-homogeneous cargoes for one shipper at a time and, except when on long-term time-charters, move from trade to trade in accordance with variations in supply and demand. Apart from certain governments' regulations intended to confine some of their foreign (and often the whole of their coastal) trade to ships of their own flag (Professor Sturmey has estimated the extent of this flag discrimination as being of the order of 5 per cent of total international seaborne trade[2]) and intra-Communist-bloc services, such trades are open to all comers; there are no governmental or institutional restrictions on freight rates or carryings. Possible, but currently unimportant, exceptions to this have existed in shipowners' attempts to stabilize some open-market freight rates during periods of depression by encouraging some owners to lay their ships up, financing this through a levy on the ships that were still operating. As far as the post-war years are concerned, the dry-cargo scheme failed to attract sufficient support to come into operation and the tanker scheme was supported by only half the eligible tonnage; it was virtually suspended in January 1965. The obvious difficulty with all such schemes is that any owner who continues to operate

[1] Statistics from *Maritime Transport, 1964*, OECD, Paris, 1965.
[2] S. G. Sturmey: *British Shipping and World Competition* (London, Athlone Press, 1962), chap. VIII.

Mr Goss is an economist specializing in shipping matters.

outside them can have all of the benefits and none of the costs.[3] On the other side of the coin, there have also been suggestions that charterers combine to reduce freight rates.[4]

Shipping conferences

But something rather less than half of international seaborne dry cargo is carried in liners,[5] most of which operate in shipping conferences. Basically, these are associations of shipowners and ship operators, often with permanent secretariats, in which freight rates are agreed. Usually (but not always) discounts are given to shippers who promise to confine all their shipments to members of the relevant conference. These discounts, which are commonly of the order of 5 to 15 per cent, may be given by contract and at once (the 'dual-rate system') or in respect of one period of loyalty at the conclusion of a second such period (the 'deferred-rebate system').[6] With either method the shipper has the choice of, in effect, lower freight rates or freedom to ship as he pleases. To signatories of such agreements and non-signatories alike the liner operators guarantee stable freight rates, an adequate frequency of sailing and coverage of ports at each end of the trade, and ships which will sail on the advertised dates, full or not full. When they are unable to berth as many of their own ships as the volume of cargo requires, they often charter ships (sometimes at a loss) in order to maintain adequate services. Alternatively, these circumstances will absolve the shippers from their contracts for the particular consignments concerned.

Numerous official investigations carried out in a variety of countries have produced reports having a number of points in common. In every

[3] Cf. Shotaro Kojima: 'Shipping Combinations as seen from the Viewpoint of Freight Theory', *Kyoto University Economic Review*, July 1926. However, somewhat similar (though government-supported) schemes in the 1930s attracted nearly universal support, including support from the major oil companies.

[4] C. F. H. Cufley and British Sulphur Corporation Ltd: *Comprehensive Summary and Review of the World Freight Picture in 1962* (London, 1963), pp. 6–8. This work is a mine of facts on charter rates and carryings.

[5] Cufley, et al., *op. cit.*, p. 44, estimate liner carryings as 260 million tons in 1962, of which 250 million were in deep-sea trades.

[6] An extensive official literature on shipping conferences includes, from the U.K., *Shipping Rings and Deferred Rebates*, Royal Commission Report, Comd. 4668, 1909, and various *Reports* of the Imperial Shipping Committee; from the U.S.A., *Investigation of Shipping Combinations* (four vols.), House of Reps. Committee on Merchant Marine and Fisheries (*Alexander Report*), 1913–14; *The Ocean Freight Industry*, House of Reps. Anti-Trust Sub-Committee, 1962 (and many bound volumes of *Hearings*) (*Celler Report*) as well as the many volumes of *Hearings* of the House of Reps. Committee on Merchant Marine and Fisheries, 1959–61, leading up to the 1961 amendments of the U.S. Shipping Act, 1916. A less extensive (but more useful) unofficial literature includes D. Marx, Jr: *International Shipping Cartels* (Princeton University Press, 1953); W. L. Grossman: *Ocean Freight Rates* (Cornell University Press, 1956); D. L. McLachlan: *Pricing in Ocean Transportation* (unpublished Ph.D. thesis) (Leeds, 1959); Sturmey, *op. cit.*; and Ferguson, et al.: *The Economic Value of the U.S. Merchant Marine* (Evanston, Ill., 1962) among the more important works.

case the investigators were obviously impressed by the evidence given, not only by shipowners but also by their customers, that shipping conferences were, in principle, necessary for the sensible conduct of business and that any disadvantages they might possess were more than outweighed by their advantages. Without them, it was frequently alleged, chaos would reign. Virtually all such investigations have concluded that, although conferences might have some undesirable practices (the commonest complaint was the non-publication of tariffs), they were good and ought to remain. This was also, broadly speaking, the conclusion of the 1964 U.N. Conference on Trade and Development, whose 'Common Measure of Understanding on Shipping Questions' states, *inter alia*: 'It was agreed that the liner conference system is necessary in order to secure stable rates and regular services.'

Indeed, most people concerned with the subject agree that if conferences did not exist the effects on freight rates and standards of service would be chaotic. There is, however, less agreement on why this chaos would occur. Academic writers[7] have attempted to explain it by basing their analyses on the fact that the only cost associated with the marginal ton of cargo is the cost of loading and discharging it; this averages some 25–30 per cent of the freight rate. Sturmey, for example, says:[8] '. . . if a liner operator can secure a rate . . . above the costs of handling the cargo, that makes a contribution to his overheads and, rather than sail . . . empty . . . it is worth taking the extra cargo. With free competition, all rates would be forced to this level whenever any surplus of shipping . . . appeared and operation would become unprofitable for all concerned.' But if rates were at such levels before the ship was committed to the berth then it would clearly be better to lay her up and thereby avoid all the costs of fuel, crew's wages, and so on. Are we to imagine that each ship would cut her rates to handling costs after she has been put on the berth? Such a practice would be profitable only if it was thought that she would otherwise sail part-empty. Estimates of this cannot usually be revised (for the pre-berthing estimate must have been different) during loading since, firstly, it is common to overbook cargo before and during loading,[9] and secondly, most of the cargo arrives only during the last few days of loading because shippers mistakenly believe that what goes in last must come out first. Finally, there is not the slightest historical evidence that anything like the process implied has ever happened.[10] If it were to happen more than a very few times it would give rise to a persistent expectation of such possibilities among shippers; no such expectation exists (even where there are non-conference operators), nor are there references to it in the

[7] Notably D. Marx, Jr, D. L. McLachlan, and S. G. Sturmey, *op. cit.*

[8] *Op. cit.*, p. 323. He is following the sense of Marx and McLachlan.

[9] Cf. R. B. Monteath: 'The Effect of Modern Cargo Handling Methods on the Design of Ships and Ports', *ICHCA Quarterly Journal*, Oct. 1964, p. 16.

[10] See, e.g., F. E. Hyde: *Blue Funnel* (University of Liverpool Press, 1957).

trade press. There is, however, evidence that, without conferences, liner freight rates would be unremunerative and unstable; shippers and shipowners are united in finding such a situation objectionable. The only doubt concerns the extent of this instability and the reasons for it.

The shippers tend, by and large, to support conferences because, in the first place, existing and recent liner rates are typically no more than 3–10 per cent of their f.o.b. prices and tend to average near the lower end of this range. No conceivable cut in rates can, therefore, have very much effect either on their profits or on their volume of trade. Liner shippers typically dispatch their goods in consignments of no more than a few tons at a time (and conferences, with rare exceptions such as special projects and charters, apply the same rates to all shipments regardless of size and the aggregate business done with the shipper concerned, i.e. they do not discriminate between shippers of the same commodities); because of the economies of scale in ship size they cannot charter a ship on their own account without paying absurdly high rates per ton of cargo. In order, therefore, to be able to offer their goods for sale they must be assured of the existence of a frequent common-carrier type of service, preferably at predictable rates. This is precisely what the conferences offer. Shippers are further assisted because the knowledge of frequent services and stable rates enables them to minimize the costs of production and inventory control. The identity of views between shippers and shipowners is, therefore, not nearly as surprising as may appear at first sight.

Thus the shipping conference is not so much an anti-competitive device as a co-ordinating one. In some trades this co-ordination extends to the agreed spacing of sailings, the sharing of ports (in order to reduce duplication of sailings and competition for congested berths), and to the pooling of revenues (usually after deduction of certain costs, such as cargo-handling). Particular trades often demand certain specialized characteristics in ships, for example, shallow draft for the River Plate ports or the Bay of Bengal, refrigerated spaces for perishables, or large derricks for heavy lifts; and without the protection from some trading risks that shipping conferences provide, shipowners would be less willing to provide any specialized characteristics or equipment in their ships. Moreover, they would also be less willing to build up the elaborate business organization necessary for the efficient conduct of a liner trade or to take any account, in their long-term decision-making, of the long-term needs of the trade they carry.

The level of freight rates (and thus of profits) in a conference is limited by the fact that, if they are raised too high, competition will be attracted from outsiders. Dual-rate contracts and deferred-rebate systems notwithstanding, it is quite impossible for any conference to insulate itself from the supply–demand position of world shipping; a conference may call itself 'open' (i.e. ready to accept new members prepared to operate on

conference terms) or 'closed', but it can never prevent a determined shipowner from entering the trade and cutting rates (or offering secret rebates) until the conference is forced to accept him. Numerous examples of this exist in both pre- and post-war years and in both types of conference. Some of them reveal a weakness in the conference system: by concentrating on the shippers both dual-rate and deferred-rebate systems leave the consignees open to persuasion—and no shipper can ignore his consignee's instructions.

Liner shipowners do not resemble those monopolistic entrepreneurs, beloved of economics textbooks, who maximize short-run profits. If they did, and given the general inelasticity of demand for their services, then their freight rates would be several times higher than they are. Instead, they maximize profits only in the long run and, because any new operator who has once competed his way into a conference is likely to stay there indefinitely (thereby permanently reducing the shares available for all the other members), they attempt to set their general level of freight rates sufficiently high to allow them to make profits but not sufficiently high to attract fresh competition, whether from newly built ships or from those originally built with some other trade (or no particular trade) in view. Unlike the air (and flag discrimination apart), the seas and the seaports are open to all and, as Sturmey has remarked,[11] competition in this industry comes in large increments or not at all. (Competition from air freight comes in small increments and is currently rather insignificant; however, it is growing rapidly and may well become important in the future. Shippers who use air freight suffer none of the penalties mentioned in connection with dual rates and deferred rebates.)

Not only is there implicit competition from potential liner operators: there may also be explicit competition from tramp operators. Many tramp trades are unbalanced; that is to say, there is more cargo in one direction than in the other. To some extent this may be modified by multilateral trading (e.g. returning from B to A by way of C, and possibly D, E, etc.) but it is likely that some 'backhaul' or 'return load effect' will remain. If it does (as, for example on the North Atlantic shipping route, where total eastbound cargo movements, seaboard to seaboard, far exceed total westbound cargo movements) then, regardless of whether such a backhaul effect exists in liner cargoes alone, there will be different competitive pressures and therefore different freight rates in the two directions. Nor can it be argued that dual-rate or deferred-rebate systems can isolate the conference from tramp competition; if the rates are too high then tramps will undercut them sufficiently to make the loss of discounts or of deferred rebates worth while to the shippers who use them. In the extreme case, where there is a strong backhaul effect, tramp ships

[11] S. G. Sturmey: *Some Aspects of Ocean Liner Economics*, Manchester Statistical Society, 1964, pp. 20–1.

faced with the choice of sailing in ballast or carrying cargo may opt for the latter at any rates in excess of cargo-handling charges *minus* the cost of buying, loading, and discharging ballast.

All this, however, concerns only the general level of rates. Within any general level, a structure of rates has to be arranged and this does not seem to be a problem susceptible to logical solution on any basis of costs. Of course, differential cargo-handling costs can be, and are, taken into account but the major part of the freight represents the costs of ships' time (including capital charges). As Sturmey[12] says, this is a problem in overhead allocation to which there is no 'right' solution. Answers may sometimes be found by precedents (which may be out of date) or by 'charging what the traffic will bear' (or, more accurately, by *not* charging what the traffic will *not* bear). In practice this means that the cash costs (and the speed) of loading and discharging the commodity concerned, its weight and the space that it may be expected to occupy, its value and freight rates of competing forms of transport (tramps and other liner routes, including those involving trans-shipment) are all taken into account. It is *always* in the interests of the conference to set the rate so as to encourage the movement of cargo by its ships—never the reverse. However, it is perfectly possible that, in a tariff possibly containing a few thousand items and related to constantly changing conditions of trade, anomalies will occur and adjustments will frequently need to be made. This is one of the principal occupations of conference meetings and of their secretariats.

Negotiations between conference and customers

Because these questions of freight rates, sailing intervals, or, indeed, anything else can constantly arise and may be important, it is desirable that there should be an intermittent, if not continuous, dialogue between the conference and its customers. This requires that there should be some organization of the shippers (and possibly of the consignees) which can represent them in negotiations. This was formally recognized by a meeting of ten European Ministers of Transport[13] in March 1963, when they stated, first, that they regarded the conference system as indispensable, and, secondly, that 'means should exist, and should be widely known to exist, of ensuring fair practices and discussing grievances that shippers or groups of shippers may have against conferences', adding that 'these means should preferably be provided by the conferences themselves rather than by governments'. The Ministers agreed to satisfy themselves that conferences of which their shipowners were members provided broadly similar machinery for the resolution of disputes between con-

[12] *ibid.*, p. 2, footnote.

[13] Belgium, Denmark, France, Federal Republic of Germany, Greece, Italy, Netherlands, Norway, Sweden, and United Kingdom.

ference members (i.e. between shipowners), for the discussion of shippers' grievances, and for providing some method (such as arbitration) for dealing with disagreements which could not be solved by the conference itself.

Further meetings were held in Paris and London in June and December 1963, respectively. At the latter, the Committee of European Shipowners (the original ten nations plus, since December 1963, Japan) presented a Memorandum which responded to these requests, and attached a Note of Understanding[14] which had been reached between European conference lines and European shippers (this term here includes both exporters and importers). Both parties noted with satisfaction the support that the Ministers had given to the conference system, and agreed on the importance of establishing methods to ensure fair practices and facilities for the discussion not only of grievances between shippers and conferences but also of all matters of mutual interest. There followed detailed proposals for regular meetings, and providing for the reference of outstanding matters to the appropriate Shippers' Council by any shipper who failed to reach agreement with the conference directly. Where shipper/shipowner, shipper/conference, and Shippers' Council/conference discussions had all failed to produce agreement, there was provision for reference to an 'Independent Panel', to consist of three people nominated by shipowners and three nominated by Shippers' Councils, none of whom was to be directly concerned with the matter at issue. Such a panel could co-opt an independent chairman if it wished. Due regard was to be paid to all the interests concerned, whether directly represented or not. (Many countries do not yet have Shippers' Councils.)

In practice there has so far been little use of these arrangements: Shippers' Councils can represent, and have represented, their members in negotiations with conferences but there has been no need for independent panels. In these negotiations the Shippers' Councils have been continuing a long tradition. Conferences have, in fact, always negotiated with their customers; their main difficulty in doing so has been the lack of shippers' organizations. In certain trades regular and detailed negotiations are conducted. In the New Zealand trades, for example, independent accountants have for many years had free access to the shipowners' books and have compiled annual aggregate statistics and cost accounts of the trade. To the total cash costs of operating the ships they add agreed allowances for overhead costs, the replacement of ships, and for a return on capital; this total is then compared with the aggregate revenue and the resulting excess or short-fall is then used as a basis for negotiating the general level of rates between the conference members concerned and the Producers' Boards of New Zealand who control most of that country's

[14] For text, see Chamber of Shipping of the U.K. *Annual Report* 1963–4, Appendix A. This brief summary cannot do justice to its full provisions.

exports (other than wool). Some other trades (such as the Australian) have methods that are broadly similar and these arrangements are known as the 'formula system'.

But it would be wrong to imagine that the addition to shipowners' costs of a 'reasonable' level of profit led to a reduction in the general level of freight rates (the formula system does nothing about the relationships between rates on different commodities); and it would be equally wrong to think that shipowners found a way to a quiet, if only moderately profitable, life. For, on the one hand, the formula results have in most years (in the New Zealand trades and probably in others) shown 'formula deficits' and have thus provided justification for increasing the rates; and on the other hand, the world surplus of tonnage which followed the collapse of the 1953–7 shipping boom has meant that the potential competition from outside the conference (and, in many trades including the New Zealand one, actual competition at cut rates, with secret rebates to shippers and/or consignees) has meant that these rate increases have not been obtained. Formula or no formula, it remains impossible to insulate any one trade, or group of trades, from the general shipping situation.

The close relationship which exists in the New Zealand trades between a small number of shipowners and (apart from wool) a small number of shippers led, in 1962, to the joint appointment of a small independent committee with wide terms of reference to examine the whole subject and to recommend methods for improving matters. Their Report,[15] and their recommendations, form one of the most detailed and expert studies of a specific liner trade that has ever been carried out and may be regarded as a model for studies in other trades.

The U.S. approach

This 'self-regulating' approach, however, contrasts strongly with that of the United States, the only country which has attempted the statutory regulation of liner conferences.[16] Many objections have been raised to these attempts (which started with the Shipping Act of 1916 and really became important with the amendments to that Act passed in 1961 and known as Public Law 87–346) and, in fact, practically every maritime

[15] Producers Boards' Shipping Utilisation Committee, New Zealand, and New Zealand Trade Streamlining Committee, London: *New Zealand Overseas Trade: Report on Shipping, Ports, Transport and other Services*, February 1964.

[16] For further details of U.S. attempts to regulate liner shipping, see D. Marx, Jr, *op. cit.*; R. O. Goss: 'U.S.A. Legislation and the Foreign Shipowner: A Critique', *Journal of Industrial Economics*, November 1963; and P. V. C. Sprigings, 'The Effect of American Legislation on Liner Conferences', *Journal of the Institute of Transport*, March 1965. For an American lawyer's views (at variance with the last two), see: 'Rate Regulation in Ocean Shipping', *Harvard Law Review*, January 1965 (no author given). Many other countries have, or appear to have, powers to control shipping conferences. See A. Frihagen: *Linjekonferanser og kartell-lovgivning* (Universitetsforlaget, Oslo, 1963). Only the U.S.A. has actually used such powers to any significant extent.

nation in the world has lodged protests with the United States. It is argued that, in view of the success of self-regulation, statutory control is unnecessary. It is further argued that the ways in which the United States attempts to regulate liner shipping are actively harmful, in that they impede, delay, and raise the costs of the ordinary conduct of trade and that they create conflicts of jurisdiction with other countries. (There is, however, no argument over the necessity of a shipping statute in the United States, for the Anti-Trust Acts are of such wide scope that, if shipping were not to have exceptional provisions, conferences would be illegal *per se.*) The argument is concerned with the American position that, if conferences are to be legal, their basic agreements, their rates, and all their actions, whether inside American jurisdiction or outside it, should be subject to regulation by the United States and *in the interests of the United States.* Indeed, the regulatory body, the Federal Maritime Commission (FMC), is specifically enjoined in the Act not to permit agreements 'detrimental to the commerce of the U.S.A., contrary to the public interest or unjustly discriminatory or unfair . . .' and, although the exact meanings of these phrases are unclear (because none of them is defined), one is left in no doubt as to their general purport.

But international trade necessarily involves at least two countries and very often third countries as carriers. (British shipping earns well over 40 per cent of its freight from cargo carried between foreign countries.) Agreements, meetings, and correspondence concerned with any given trade may take place anywhere and the documents may be located anywhere. If they are outside the United States, then that country has no jurisdiction; nor, if she claims such jurisdiction, has she any way of enforcing it. Amongst the effects of the U.S. shipping legislation, therefore, has been the passing in several countries (of which the United Kingdom is one) of Acts prohibiting, or giving powers to prohibit, the supply of information concerning shipping activities to the FMC and to the U.S. courts. The shipowners of these countries have been strongly supported by the shippers and their Councils as well as by their Governments.

There are, in fact, two ways of regulating international common-carrier services by sea: there can be self-regulation by agreement between shippers and shipowners (possibly with some gentle encouragement from their Governments) or there can be internationally agreed regulation by governments. In view of the success of the former method, the latter would seem as superfluous as it would be difficult to achieve. What is clearly undesirable is regulation by one country only, acting solely with regard to its own national interest.

A second article, on air transport, will appear in the November issue of The World Today.

America and a larger Europe

Z. K. BRZEZINSKI

MORE than twenty years have passed since the Potsdam Agreement, which formalized the partition of Europe produced by the second World War. In the aftermath of that war, Western Europe, ravaged and insecure, became increasingly tied to the United States; Eastern Europe, even more ravaged, became subordinated to the Soviet Union. Today, twenty years later, it is striking to note how much the situation has changed and yet how little the policies of the major Powers correspond to the realities of that change.

Specifically, since I am writing about the relationship between America and Europe, my thesis in this article maintains that, in so far as the United States is concerned, the Atlantic concept, as now defined and understood, is too narrow a design for the Europe of the 'sixties. Consequently, the concept runs the risk of becoming obsolescent unless it is seriously and in some respects creatively reappraised. It is too narrow a conception because implicit in it is the notion of the continued division of Europe, with the Western half securely tied to the United States. And it is potentially obsolescent because, in my view, the dominant problem facing Europe today is no longer that of security, even though security remains a crucial matter; increasingly it is yielding to a concern with the problem of somehow bridging the existing partition of Europe. This problem will not be met and will not be answered by new security schemes alone, however desirable they may be. Consequently, much of the American preoccupation with the condition of the European-American relationship really is not, to my mind, addressed to the key problem of that relationship.

Indeed, President de Gaulle has had the success which he has had because he, at least, posits a vision of the future, even though at the present time he does not have a policy to meet the requirements of that vision. In spite of this, de Gaulle was for a long time dismissed in the United States as an aberration; there was a tendency to wait for him to disappear,

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on the ground that his disappearance would re-establish the *status quo ante* of the American-European relationship.

This inclination to procrastinate was due in large part to a misleading assessment of the nature of the European response to the concept of Atlantic partnership, when it was first defined approximately three years ago. The response was encouraging, indeed in some respects enthusiastic, but this was largely due to the fact that the idea was put forward by an American President with a unique sympathy for Europe and a unique empathy with the Europeans. It was formulated at the time of an acute Berlin crisis, and therefore in unique circumstances which reasserted the dependence of Europe on the United States. At that time, the concept of Atlantic partnership, even in its narrower interpretation, seemed to posit the future; but in reality it reflected the past, and became increasingly a hollow shell as the Soviet threat receded.

Present developments, not only in French but also in German policy, bear out this overall analysis. Germany is becoming increasingly restless as German priorities change. Initially, in the early 1950s, these priorities could be defined as involving, first of all, the quest for security; secondly, the necessity of material recovery; thirdly, the institutionalization of a democratic order; fourthly, the achievement of a stable relationship with and membership in the Western European community; and lastly, German reunification. Today, German interest, indeed preoccupation, with the last is reviving, because the other priorities have to a lesser or greater extent been achieved; and German partition is becoming increasingly intolerable in the setting of at least a relative American-Soviet *détente* and growing East European diversity. Partition was tolerable to a great many Germans as an offering on the altar of the cold war, but in this new setting it is becoming anathema to many of them. I think it is clear from any analysis of German politics, and particularly from the attitude of the younger people, that a concern with this issue is rising in Germany; and, with it, there are signs of an ominous revival of the old West–East dialogue in domestic German politics, the clash between the Western and the Eastern orientations which has traditionally been the external foreign-policy expression of internal German politics.

Elsewhere in Europe—and this probably includes Britain—there is a certain boredom with efforts towards Western unity, and a tendency to seek salvation in a better East–West relationship almost as an end in itself. Cumulatively this is creating a basic danger to the American-European relationship and is undermining the established American relevance to Europe.

The process is intensified by changes in the East. There the fragmentation is more intense and the nationalism more acute. Historically this is understandable, for East European nationalism is of more recent historical vintage; it has been more recently suppressed; and the East

European political élites represent social strata that are newly risen on the social ladder. Moreover, the disappearance of Soviet domination from the scene has revealed that no infrastructure of unity was created at the time of Soviet hegemony, as was created in the West during the period of the corresponding 'American hegemony'. The ideological disputes which have differentiated the Communist States have contributed towards an intensification of differences; they have, so to speak, escalated differences into issues of principle, thereby accelerating the process of the dispersal of Soviet power. All of this has, of course, been intensified by the impact of the Sino-Soviet dispute, which has increased the East European States' room for manœuvre.

The East European regimes, as a consequence of the disappearance of Soviet domination, are basing their policies more and more on domestic considerations; and with this development comes a revival of national conflicts. Anyone who has travelled in recent times in Eastern Europe is struck by the intensity of nationalist feelings and of national antipathies. Whereas ten years ago one could study the region in terms of the Soviet bloc—and some have even written books entitled *The Soviet Bloc*—today one cannot understand it unless clear and explicit attention is paid to the problems of ethnic, geographical, and national conflicts as well as to purely domestic interests. These are increasingly becoming the determinants of the outlook even of the ruling élites. For instance, in a conversation with a very high Rumanian Communist Party official, I finally asked him—after listening to a long harangue about 800 years of Rumanian diplomacy which *his* Government was following—how he defined proletarian internationalism; and without batting an eyelid he said: 'Proletarian internationalism means promoting the welfare of our people.'

In addition, internally, these processes of change mean not liberalization or democratization—as is often suggested in newspaper reports—but increasingly the emergence of political systems which are a combination of bureaucratization, nationalism, communism, and oligarchical bureaucratic rule. In some respects, indeed, there seems to be a process of political reincarnation at work here. As these regimes become more responsive to domestic pressures, they become, under the label of nationalism, increasingly similar to the social fascist movements that were so active on the East European scene prior to 1939. The programme of these pre-war movements was one of nationalism, social reform, modernization, *étatisme* on the basis of a decentralized State-owned economy, some anti-intellectualism, and, wherever relevant, anti-Semitism.

This is not an attractive prospect for a future Europe. One ray of hope, of course, is the appearance of a new intelligentsia which is attracted by the vision of a larger European entity and was very much impressed by

the initial success of the Common Market. This intelligentsia must be encouraged positively, but it *cannot* be so encouraged if, in the Western attitude, primary reliance is placed on the stimulation and intensification of East European nationalism.

The Soviet Union is also changing profoundly; domestic developments there can, without fear of exaggeration, be described today by the words 'Westernization' and 'Europeanization'. But these are primarily social, and not necessarily political, phenomena. Even in Western Europe true political democracy is a minority phenomenon, and in the Soviet Union the process of democratization and liberalization is not yet the dominant aspect of the course of internal evolution. Rather, technocratic rationalism and doctrinaire bureaucracy are the prevailing political phenomena. The Soviet system is becoming increasingly characterized by a rational technocratic, yet in many respects still a doctrinaire bureaucratic, dictatorship. It is striking to note in passing that in a country which professes to be the leader of Marxism-Leninism, not a single important book on Marxist theory or indeed on Marx himself has been published in the last thirty-five years—mute testimony to the system's growing ideological sterility.

Thus the political systems of Eastern Europe and of the Soviet Union generally are in a critical state of transition. In Eastern Europe today we find a new generation taking over: Ceauşescu in Rumania; perhaps Gierek or Moczar in Poland; Lenart in Czechoslovakia; Ranković or Bakarić in Yugoslavia; perhaps Shelepin in the U.S.S.R. These are men in their late forties; trained in the post-war ruling bureaucracies, they have nothing in common with the old internationally minded, Soviet-trained *apparatchiki*. They are taking over at a time of acute economic difficulties and of a profound social malaise in the region as a whole, including a sharp decline in Soviet prestige and authority throughout the area.

In the Soviet Union the post-Khrushchev leadership enjoys neither the authority which Lenin had and which he used to buttress his power, nor the power which Stalin had and which he used to create his authority. Indeed, in shorthand fashion, we might well say that Brezhnev and Kosygin have neither power nor much authority in relation to the system as a whole. And their doctrinaire bureaucratic political system is entering into a stage of increasingly acute contradiction in relation to Russian society as a whole—a society which, because it is more complex and more developed, no longer needs a political system of this sort in order to continue its further development. The tension between the two is evident in the attempted reorganization schemes, and in the inability of the political system effectively to suppress many social aspirations or to evolve an effective system of economic management. The Soviet political system is thus becoming in some respects similar to that of the Third Republic in France. The system as a whole is relatively stable, but the political

leadership is unstable and frequent changes are likely. This inevitably creates political rigidities and paralyses political initiatives.

All these developments cumulatively create a setting favourable to Western political initiative. Yet if we look briefly, and in a highly schematic fashion, at the policies pursued by the major Powers, both Eastern and Western, the degree to which they fail to apply to these new circumstances becomes only too clear.

The Soviet Union in recent years pursued a policy that can be described as an attempt at a breakthrough. Using Berlin as a main source of leverage, it was designed to expel the Western Powers from that city, and thereby to set in motion the process of disintegration in the Western alliance. This policy failed in the course of the Cuban confrontation of 1962. From approximately 1962 to late 1963 considerable indecision and drift could be seen in Soviet foreign policy, indeed one can almost say there was a total absence of a Soviet foreign policy. By late 1963, a new policy began to take shape, one which can now be described as a policy of fragmentation. It is designed to erode the flanks of the Western alliance in Europe by the stimulation of neutralism in Scandinavia and in Italy, and by the encouragement of traditional conflicts between Greece and Turkey. After some hesitation, with Khrushchev apparently leaning towards the exploitation of Germany, the new Soviet leadership concluded that France would be a more desirable source of leverage for undermining the European-American relationship. That the Soviet leadership is using France to fragment Atlantic unity is quite clear, in my view, and is almost openly documented in the Soviet, Bulgarian, East German, and Hungarian press.

The basic point about Soviet policy is that it is still wedded to the notions of the desirability and the inevitability of Western disunity. It therefore disregards the developments of recent decades in Western Europe; it is still fundamentally a political-warfare approach and as such not conducive to a solution of the European problem. It is still part of the cold war tradition.

Germany, in my view, is pursuing a policy which, at least at its declaratory level, is committed to incompatible objectives. It seeks—and justly so—reunification, formally at least a frontier revision, and the normalization and humanization of conditions in East Germany. These, in a fundamental sense, are incompatible objectives. The goal of frontier revision, even if held only formally, drives the Czechs and the Poles into the arms of the Soviet Union and buttresses their support for the buffer state of East Germany. The goal of normalizing and humanizing the situation in East Germany is understandable, but unless pursued with great caution it can have the effect of increasing the greater international acceptability of East Germany and therefore its perpetuation.

To an extent, of course, changes have taken place: the indirect

abandonment of the Hallstein Doctrine has already involved positive German efforts to build relations with Eastern Europe while isolating East Germany. But the inability of the Germans to accept the Oder-Neisse line benefits Moscow in its relationship to Poland. Furthermore, the revival of the East–West polar axis in German discussions of foreign policy and the growing feeling that only by solitary German initiatives can reunification be eventually achieved pose a long-range threat to Western unity. It is noteworthy that the disappointed German Gaullists, who were rejected and repelled by the French opening to the East, are not returning to the Atlantic orientation but, by and large, are beginning to advocate independent negotiations with Moscow.

The French goal of achieving a European Europe excluding the United States and then seeking on that basis a Europe to the Urals sets in motion even more directly a disintegrating process in the West, with the effect of reawakening Soviet ideological aspirations. It seems to confirm the basic Communist analysis that there are inherent contradictions in the West, and rigidifies the Soviet commitment to a policy of political warfare. The Soviets realize that a 'European Europe', even if it were ever to come into being, would not have the economic wherewithal with which to attract the East and to meet its needs, nor the military might to ensure its security in the event of a new crisis. Hence, in a fundamental sense, it is a vision but not a policy.

These are the trends to which the United States must respond if her relationship to Europe is to remain vital and constructive. But it will not do to posit a grand design for the West and merely a declaratory policy for the East. Since the outset of the cold war, American policy towards Eastern Europe and Russia has shifted from a policy of containment—which was no policy but a defensive reaction—to a policy of liberation—which was largely a matter of words and was revealed to be an empty slogan during the East German and Hungarian uprisings—and thirdly to the pursuit of a *détente* with the Soviet Union almost as an end in itself, thereby frightening the Germans and setting in motion some of the French initiatives for a special Franco-German relationship as seen in the early 1960s.

Moreover, specifically on the German issue, the United States has occasionally tended to lead where she should have followed the Germans. This particularly applies to the sensitive issue of East Germany, where at times America has created the impression that she favours a closer relationship with East Germany. Such a relationship is something which the Germans ought to initiate themselves, if it is ever to be embarked upon at all, so that they cannot subsequently blame the United States for having launched a policy which may have perpetuated the division of Germany by making East Germany more internationally acceptable. And in other matters the United States has followed the Germans when she should have led, par-

ticularly over the problem of relations with Eastern Europe and over the Oder–Neisse line. This has been largely due to the absence of an overall concept designed to guide American policy towards the changing Communist world. In the absence of a real sense of direction, occasional American overtures to the East have merely contributed to the growing competition among the Western Powers in seeking a special relationship with the Soviet Union and in vying with each other in trade and credits.

All of this creates an urgent need for a threefold approach. First, analytically to define in more explicit terms the nature of the changes that have occurred in Europe, on the basis of which analysis objectives and actions can be worked out. The Communists have the useful device of occasionally pausing and asking themselves, in self-conscious fashion: 'What is the nature of our era? What are the determinants of the present phase of world history?' This is a useful exercise; the United States does not engage in it often enough, and such a systematic analysis is long overdue.

Secondly, inspiration is needed to crystallize a positive goal towards which both Europeans and Americans can relate themselves; otherwise, without such a sense of common purpose, there exists a vacuum in the West which is disintegrative of its unity. I submit that the need at the present moment is to formulate the goal of ending the partition of Europe. To an extent, the United States is beginning to move in that direction, and President Johnson's speech of 8 May was meant to be an initial step. The restoration of a larger Europe was defined in that speech as the first objective of American policy—a shift of priorities which is not insignificant.

Thirdly, a specific programme of political action for the West and particularly for the United States is needed. Its basic assumption must be that disengagement is an irrelevant approach. Neither the United States nor the Soviet Union will disengage voluntarily from Europe; and an induced disengagement on the part of one or the other is bound to have a fragmenting effect on international stability. Thus the process of change must involve Eastern Europe and Russia jointly in relation to Western Europe and America jointly. It follows that the West should not strive to achieve the defection of individual East European States; this is impossible from a practical point of view, and also undesirable from a political point of view. For the present period, there should be no attempt to alter the balance of power. Finally, German reunification will have to be the last act in a prolonged process of guided evolutionary change in the West–East relationship.

On the basis of these assumptions, five intermediary goals should be pursued by the West. The first is to isolate East Germany and to make her a political anachronism on the map of Europe. A policy of closer relations with the East Germans will only perpetuate the regime, especially

since *it* has no interest in liquidating *itself*: only the Kremlin can decide to liquidate East Germany and only the Kremlin can gradually be influenced to liquidate the East German regime, at some future and probably distant point when the overall political complexion of the relationship between East and West changes.

Secondly, a Polish-German reconciliation should be sought. Just as unity in the West was impossible without Franco-German reconciliation, so a new East–West relationship is impossible without a Polish-German reconciliation. This, of course, means a forthright approach to the problem of the existing frontiers and its connection with the issue of reunification. In my view, NATO guarantees of existing frontiers, at least against the use of force to change them, and a more explicit statement by the West Germans that, with reunification, they will accept these frontiers would be a contribution to eventual German reunification and European peace.

Thirdly, Russian fears with respect to German rearmament must be mollified. There is no denying that many of these fears are artificially fed by the Russian Government, but they do have a psychological and historical reality which must be taken into account; and this is particularly relevant to the problem of nuclear weapon-sharing—as well as to certain schemes which have been shaped in West Germany with the aim of aiding the Chinese in order to bring pressure to bear on the Soviets. The way to East Berlin is not shorter via Peking, and aid for Peking will merely confirm the opinion, which the Russians are inclined to hold in any case, that the Germans are fundamentally hostile. The reinforcement of this Russian view will perpetuate the Soviet stake in East Germany.

Fourthly, economic ties must be related to social and cultural ties. I do not believe that economic development somehow or other transforms a totalitarian government. I recall that the second World War was started in Europe and Asia by States with a high standard of living and an advanced level of industrial development. Economic development will not resolve the problem of East–West relationships. Economic ties have to be accompanied by psychological and ideological changes; and these require closer social and cultural ties.

Fifthly, the focus of economic relationships should be shifted from bilateral relationships, which made sense at a time when each individual East European State was gaining independence from the Soviet Union, to multilateral relationships. This means efforts to get the East Europeans perhaps into the OECD, activation of the Economic Commission for Europe, an invitation to them to participate in the International Monetary Fund, the World Bank, and many other schemes.

Finally, on the basis of the above, a common economic development plan should be proposed, designed to cut across East–West differences—in effect there should be a reopening of the Marshall Plan option to the

East. If the invitation to participate in such a plan were rebuffed by the Soviet Union, some East European States would still be attracted. Several wished to join in 1947 and were deterred only by Stalin; it is highly unlikely they could be so deterred now. At the very least, the Soviet Union would have to pay an enormous price for buying East European abstention.

As regards the West, irrespective of Soviet acceptance or rejection, an initiative of this sort would infuse a new purpose into the American-European relationship. It would encourage new institutional growth; it would revive the Atlantic concept but this time in a setting of wider goals and broader horizons. Indeed, one might hope that it would encourage Scandinavia and the United Kingdom to see a greater role for themselves in closer ties with the rest of Europe. Certainly a Europe embracing the United Kingdom and Scandinavia and backed by the military power of the United States would be far more attractive to the East and far more likely to provide security for both East and West, counter-balancing the Soviet Union and indeed Germany, than a 'European Europe' achieved in the process of fragmenting the American-European relationship and undermining the Common Market.

To be sure, this would not be a panacea; the competition between the United States and the Soviet Union, and the revolutionary wars would continue in many parts of the world. But the problem has to be seen in a larger and broader historical dimension. The first and second World Wars were European civil wars, and they in fact destroyed the old Continent politically. The cold war in Europe, with American and Soviet participation, is a civil war among the developed nations, and is being fought today in the context of increasing international chaos, of violent and intense emotions, material poverty, and growing nuclear proliferation. A new revolutionary wave is beginning to sweep over many of the emergent nations, with China as its militant standard bearer, capitalizing on her backwardness as the source of her appeal and on her revolutionary experience as the point of attraction. It is therefore imperative that the developed nations should at least make a start towards acting together, towards minimizing the conflicts among themselves, lest their hostility and divisions—for which objectively there is less and less reason—result in a dissipation of energy and in futile competition in the 'third world', which would simply contribute to further international chaos. To build international stability we have to start now, and I submit that Europe is the place to begin.

The dilemma of Christian-National Education in South Africa

DEBORAH LAVIN

One of the distinctive features of the structure of South African politics since the war has been the shift in the pattern of allegiance of the white electorate. The Nationalist Party came to power in 1948 largely on a platform of Afrikaner ideals, but language is no longer the index of political conviction and the party now claims to attract English-speaking South Africans as well as Afrikaners. The Provincial Council elections of March this year, resulting in a landslide victory for the Government, justified the Nationalists' confidence in the forthcoming general election and the support at their command. Paradoxically, the change in the allegiance of white voters dates from 1960–1—the years of emergency when political and economic crisis threatened to unseat the Nationalist Government altogether. Since then, the English vote has been attracted to the party by two positive developments: the dramatic reversal of South Africa's economic position, and the sophistication of the Nationalist case for *apartheid*. The Nationalist Party has also been the residuary legatee of a fuddled Parliamentary Opposition, jaded after seventeen fruitless years in the wilderness; of the fear generated by sabotage and plots aimed at revolution and terrorism; and of the resentment caused by the hardening of foreign disapprobation.

Yet this position of strength has presented special difficulties. The old antagonisms of the Boer war still kick spasmodically, and Nationalist politicians have now to attempt the difficult task of attracting the votes of English-speaking South Africans while still carrying the banner of Afrikanerdom—a predicament which can be illustrated by the recent stir over the Broederbond.[1] The predicament is made more acute by the delicate tensions between provincial and national politics that character-

[1] This quasi-religious political organization was founded after 1910 as the heir to Kruger's anti-British Doppers in the Transvaal, with the aim of infiltrating 'trusted' Afrikaners into positions of influence. The dramatic revelation in the English-speaking press in 1964 that many leading Nationalists, including Verwoerd and Vorster, were members of the Bond was considered to be a sufficiently vital issue to necessitate a government inquiry. The vindication of the Bond (and of the Society of the Sons of England, which was examined at the same

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ize a federal union. Vital party support is generated in the provinces, where the concept of the 'volk' is still alive in the deliberations of local councils and where bitter battles are fought for history and language. If, therefore, one seeks to analyse Nationalist policy towards the electorate, one must look for an example that covers both provincial and national politics. Such a one is to be found in education, where government policy has been dictated by the so-called Christian-National Education Manifesto originally drawn up under the auspices of the Broederbond as part of the battle for the recognition of Afrikanerdom. The Manifesto's basic assumption—the separate cultural identity of each section of South Africa's plural society—has remained unaltered, but legislation governing white education has in practice had to be modified, at the expense of the narrow anti-British spirit of the Afrikaner tradition, to fit the new party image of a united white community. This has confronted the Government with three dilemmas. The first is how to reconcile conservative provincial sentiment with a forward-looking national policy. The second is whether to acknowledge that Christian-National Education, as an exclusively Afrikaner policy, is inapplicable to present needs, or to stand by the Manifesto and try somehow to convert the old policy to one that can apply to the country at large. Thirdly, there remains the problem of how to shift the emphasis from the traditional aim of educating children to be good Afrikaners to a new ideal of educating one white nation, united in spite of a diversity of language and tradition, to stand firm in the face of attack. The purpose of the present article is to show how these difficulties have arisen from the trimming of education policy to the terms of the Manifesto, and to examine the evasions and compromises that have become necessary to make the policy viable.

The seizing of political initiative by the Nationalist Party in 1948 was the culmination of the fight for recognition that the Afrikaner people had renewed in 1910. The three Afrikaner Churches sustained this effort and provided its philosophy, emphasizing the Calvinist identification of fundamentalist Church and authoritarian State. The result has been the persistent confusion of the terms 'Christian' and 'National' in Afrikaner nationalist thought. The Churches had also provided for the founding of the original Free Christian-Nationalist schools to counteract the anglicizing policy of Lord Milner, and they sponsored the first Christian-National Education Conference in 1918. The next two decades were the self-conscious years of Afrikanerdom: they saw the struggle to establish the Afrikaans language and the founding by the Broederbond of the Federation of Afrikaans Cultural Societies (FAK), which held a Confer-

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time to provide the inquiry with symmetry) was unconvincing, however, as the inquiry was held in secret. The constitution of the Bond demands absolute secrecy and sympathy with the Afrikaner cause, so that the admission of English-speaking members is prohibited.

ence on Christian-National Education in July 1939. It was here that the Institute for Christian-National Education (ICNO) was born, and the work of policy-making initiated, culminating in the publication of the Institute's Manifesto in the year of the election.

Christian-National Education Manifesto

The association of Christian-National ideals with those of the fight for the recognition of Afrikanerdom was made clear in the Preface to the Manifesto, written by J. C. von Rooy, Chairman of the FAK:

> I congratulate the ICNO on formulating this policy as a guide in our cultural struggle, which is now also a school struggle. We shall triumph in the end... We want no mixing of languages, no mixing of cultures, no mixing of religions, no mixing of races. We are winning the medium struggle. The struggle for the Christian and National school still lies before us.

There was also a clear connection with the Nationalist Party. The sponsors of the Manifesto were men of political substance and power: prominent Nationalists such as Dr Donges (at present Minister of Finance), Professor J. G. Meiring (later Superintendant-General of Education in the Cape, at present Principal of the new University College for Coloured Students), Professor J. C. Coetzee (later Rector of the Afrikaans University of Potchefstroom), J. G. Greijbe (later President of the Transvaal Teachers' Association), and Dr E. G. Jansen (late Governor-General of the Union). As early as 1948–9 the familiar pattern of CNE support could be discerned: cautious approval from top men; clamours for action from teachers, provincial officials, and churchmen. When it was discussed in Parliament in 1949, Dr Jansen and Dr Donges were careful to keep their responsibility implicit: neither spoke for the policy, but neither repudiated it. It was at provincial level that enthusiasm was unrestrained. The Cape Congress of the Nationalist Party supported the policy in principle in October 1948, and a month later the Transvaal Congress urged that it be given immediate effect. The Dutch Reformed Synod of the Orange Free State declared its support, and the Afrikaans Teachers' Associations of all four provinces announced their 'unshaken faith' in the policy.[3]

The Manifesto's opening clauses contained the characteristic semantic confusion: 'Christianity' and 'Nationalism' were linked in an uneasy alliance derived from the Calvinist identification of Church and State.

> All white children should be educated according to the view of life of their parents. This means that Afrikaans-speaking children should have a Christian-National education, for the Christian and National spirit of the Afrikaner nation must be preserved and developed. By Christian in this context we mean according to the creed of the three

[3] The Association in South West Africa declared its support for CNE, but stipulated 'not as defined in the pamphlet'.

> Afrikaner churches; by National, we mean imbued with love of one's own, especially of one's own language, history and culture. Nationalism must be rooted in Christianity.[3]

The identification established, the Manifesto proceeded in Article 6 to indicate the use to which certain subjects might be put in a school:

> *Content of education.* (ii) *Mother-tongue.* This should be the most important secular subject and the only medium of instruction except in teaching other modern languages. . . (vi) *History.* History should be seen as the fulfilment of God's plan for humanity. The turning point of history is Jesus Christ; history teaching must therefore include such facts as the Creation, the Fall, the Incarnation, the Life and Death of Christ, the Second Coming and the End of the World; and history must be seen as the struggle between the Kingdom of God and the Empire of Darkness. God has also enjoined on each nation its individual task in the fulfilment of His purpose. Young people can only truly undertake the national task fruitfully if they acquire a true vision of the origin of the nation and of the direction of the national heritage. Next to the mother tongue, the history of the Fatherland is the best channel for cultivating the love of one's own which is Nationalism.

When in Article 11 the Manifesto came to consider higher education, the gargantuan coils of its prose became sombre and obscure:

> *Higher Education.* (ii) The content should be scientific but founded on the Christian faith. The Christian doctrine and philosophy should be taught and practised. But we desire still more that the secular sciences should be taught and practised according to the Christian and National view of life. University teaching should be thetic rather than antithetic, never purely eclectic and never reconciliatory. Science should be expounded in a positively Christian light and contrasted with the non-Christian sciences. Universities should never give unintegrated instruction merely chosen here and chosen there; there should be no attempt to abolish or reconcile the fundamental oppositions. For Creator and Created, man and beast, individual and community, authority and freedom remain in principle insoluble in each other. Especially in the universities we need the right personnel; for professors and lecturers make the instruction and determine its guiding spirit. It is therefore all-important that the teaching staff should be convinced Christian National scientists. (iii) Higher Education should be so controlled that the Christian-National view of life may come into its own.

Finally, the Manifesto considered Coloured and African education on a basis of *apartheid* and a notion of trusteeship very different from that once

[3] ICNO Manifesto, 1948, Article 1. All extracts are translated from Afrikaans. (English translation printed in *Blackout*, Education League, Johannesburg, 1960.)

recognized in British colonies or by the United Nations today. It spoke of the 'principles of trusteeship, non-equality and segregation', and while it aimed at the inculcation of 'the white man's view of life, especially that of the Boer nation, which is the senior trustee', it could also declare that 'only when he is Christianized can the Coloured be truly happy; and he will then be proof against foreign ideologies which give him an illusion of happiness but leave him in the long run unsatisfied and unhappy'. It envisaged both Africans and Coloureds as independent racial groups, 'hence *apartheid* in education'. Neither Coloured nor African education was to be financed at the expense of white education.

This Manifesto has been the blueprint for the education legislation of the Nationalist Government, and Christian-National education has been used to support *apartheid* just as it was once used to stiffen the backbone of emerging Afrikanerdom. After the Nationalists were returned to power in 1953 with an increased majority, the terms of the Manifesto were embodied in legislation. So were its confusions. The Manifesto spoke of 'our national life', but it soon became clear from the nature of the measures enacted by the Government that its concept of a South African nation was a fiction, and that the new determinants of nationality were to be language and race. The Dopper tradition had survived with enough vigour to ensure that English- and Afrikaans-speaking children were separated from each other in the schools even before African, Indian, and Coloured students were forbidden to attend the 'open' universities. Significantly, these measures for white *apartheid* were initiated at Provincial Council level where Afrikaans cultural identity has remained the primary concern. The Transvaal, Free State, and Cape Councils[4] passed Ordinances stipulating that white children must be taught in their home-language medium, so that parents no longer had the right to choose a school for their children, or even to decide for themselves which was their home language.

The Government itself took action in the next steps towards the Christian-National ideal. These measures coincided exactly with the principles of the Manifesto. In the sphere of white education, all technical colleges were placed under central control in 1955. This was done on the recommendation of the three Dutch Reformed Churches. Again, in 1959, a new religious syllabus was introduced into all schools controlled by the central Department of Education, Arts, and Science, after consultation with the Dutch Reformed Churches only. ('By Christian, we

[4] Natal, the predominantly English-speaking fourth Province, had passed no Ordinance, but was not allowed to stand aside indefinitely. In 1959 the Government insisted on the appointment of J. H. Stander as Deputy Director of Education, despite the fact that the nomination was unanimously rejected by the Natal Executive Committee, which contested the appointment in the Supreme Court. Mr Stander is a well-known supporter of Christian-National education, and had publicly defended the stand taken on CNE by the Natal Afrikaans Teachers' Association.

mean according to the creeds of the three Afrikaner churches';[5] 'Unless the teacher is a Christian, he is a deadly danger to us.'[6]) Steps were also taken to use Christian-National education as the basis for the implementation of a full programme of *apartheid*. The Bantu Education Act (1953) transferred control of African education to the Union Government, and in 1958 a separate Department of Bantu Education was formed. Its aim was clearly stated by the Minister of Bantu Education, Mr Maree, in the following year: 'It is the basic principle of Bantu education in general that our aim is to keep the Bantu child a Bantu child.'[7] In 1959, too, the Extension of the Universities Act forbade the 'open' universities to continue to admit non-whites. Several teachers were dismissed from Fort Hare University without an inquiry on the grounds that they were 'sabotaging the government policy of *apartheid*'. ('In no subject may anti-Christian or anti-National propaganda be conducted, nor yet propaganda which is not in accordance with the Christian and National view of life.'[8]) In 1964 the Department for Coloured Affairs took over Coloured education; the transfer of Indian education to the Department of Indian Affairs was scheduled for 1965. ('No mixed schools.'[9]) These provisions for divided educational control made nonsense of any pretended South African 'national life'. They showed *apartheid* rampant, creating not one *nation but five—Afrikaans, English, African, Coloured, and Indian.* They ensured, too, that education would lie at the heart of the struggle for power, where it provides an excellent illustration of government tactics and, more recently, of official dilemma on three important questions.

Three dilemmas

The first of these arose as a direct result of the policy of fragmentation. For many years it was apparent that some form of co-ordination was needed over the whole field of South African education. In the 'externa' of education—the overlapping services of the central Government and the Provinces, their financial relations, and the general provision of facilities to ensure equal educational opportunities throughout the country—the need for rationalization was clear. Verwoerd admitted this in 1959:

> There should be uniformity in the sphere of education. It cannot be otherwise, because the nation can maintain only one ideal in this sphere. . . The government will lay down in legislation that which can be expected for education in South African national institutions, and provincial authorities will have to adjust themselves to this new educational ideal.[10]

The difficulty for the Government lay in reconciling general administrative necessity with an ideology that could appeal to a small minority.

[5] Manifesto, Article 1, quoted above. [6] *ibid.*, Article 9 (i).
[7] *Hansard*, 17 June 1959. [8] Manifesto, Article 6. [9] *ibid.*, Article 8 (i).
[10] *Star* (Johannesburg), 8 August 1959.

Again, there was the problem of disguising the constitutional affront to the Provincial Councils[11] so as not to forgo indispensable party support. A solution was found in the setting up of the National Education Advisory Council, which became a working reality in October 1963.

The Council was instituted to deal with white education only; separate advisory councils were planned for the other groups. Yet despite hopes that 'it is now possible to develop a genuinely South African philosophy and system of education which will place education for whites on the same healthy footing as Bantu education',[12] it could provide no cosy anodyne. Its impartiality was fictitious; it was neither independent nor representative. The Minister of Education, Arts, and Science was empowered to appoint eleven out of the fifteen statutory members as well as all additional members. Of the twenty-eight councillors originally appointed, only ten were English-speaking. The Provinces were allowed one nominee each, but there was no representation of any recognized educational bodies, parent-teacher associations, primary schools, or any branch of commerce or industry. Moreover, the Council was endowed with unprecedented powers to inquire into and inspect the work of any aided school, thus concerning itself not only with educational 'externa', but with what was taught in the schools, and with how it was taught. The first Vice-Chairman was Professor Bingle, Broederbond member and Rector of the University of Potchefstroom, who had written a brochure for the Pretoria College of Education, in which he stated baldly: 'CNE must be all-pervading.' Certainly both 'Christian' and 'National' considerations attended the birth of the Council. The Minister of Education opened the first meeting, at which he said: 'The Church wants the say in the control of schools to guard against moral decay,'[13] and the leader of the Nationalists on the Transvaal Provincial Executive Committee stated that 'Our first concern is that the people appointed should be educationists, but our second consideration is their sympathy with National Party ideals'.[14]

The first dilemma, then, has been skirted with some skill. The Council pays lip-service to the need for rationalization but at present confines its activities to inquiries on uncontroversial matters such as the status of the teacher in the community, where there is no danger of antagonizing either of the white language groups or the Provincial Councils. So innocuous are its deliberations—despite its great formal powers—that two years

[11] Since 1910 the Provinces have controlled all education other than the nursery schools, special schools, vocational and trade schools, and technical colleges and universities.

[12] Professor von Rooy, representing the Calviniestiese Beweging, in evidence to the Select Committee investigating the possibility of setting up an Advisory Council. *Report of the Select Committee*, p. 351.

[13] *Star*, 29 March 1963. There are no *official* representatives of the Church on the Council.

[14] *Rand Daily Mail*, 15 May 1961.

after it was set up one of its members could report that there had never been any disagreement. Yet the machinery is now in existence whereby centralized conformity and an authoritarian rigid approach can be enforced in South African education, and the Council's CNE affiliations indicate how the machine might be put to use in the future.

The close dovetailing of existing educational legislation with the CNE programme, and the presence of substantial Christian-National representation on the Advisory Council, leaves little room for doubt that the Christian-National ideal is still active. Yet the naïvetés of the policy and many of its defenders are clearly becoming an embarrassment to sophisticated politicians, and a closer examination of the CNE front reveals inconsistencies underlying its apparently monolithic conviction. This raises the second dilemma for the Government. Should CNE be officially acknowledged? Here the old pattern of 1948–9 is repeating itself: government caution and provincial enthusiasm. In the predominantly English-speaking town of Maritzburg on 4 September 1959, Dr Verwoerd faced up to political necessity and claimed that CNE belonged to the history of the early twentieth century and 'consequently [CNE] is something of the past.' Again, in evidence to the Select Committee on the setting up of the Advisory Council, the Prime Minister said: 'We must make every child a good worthy member of a Christian South Africa. . . Whether or not some of the principles of CNE—like mother-tongue education—appear in the new system is irrelevant. It will not be based on CNE as such.'[15] With the essential legislation already on the statute book, CNE could be quietly shelved in Parliament.

There was no doubt, however, that Christian-National education was in fact thriving in the schools. In 1956 the Transvaal Afrikaans Teachers' Association was passing resolutions about the 'duty of every Christian people' and the 'necessity of national history as a school subject'. A popular history textbook in Afrikaans showed what this might lead to:

> Thousands of years before the whites came to live at the southern end of Africa, the highly civilized Egyptians . . . and other nations were already in North Africa . . . yet it is striking that they did not spread further. . . Then the Lord planted a new nation at the southern tip. . . It was not yet a nation, but this small group of people quickly developed into a new nation and today the . . . development still continues. This new foundation is remarkable, for this new nation was to develop, grow, extend and occupy the interior as no one had expected. This people (volk) had already penetrated from the Cape up to the middle of Africa. . . This people was to stand on the verge of being wiped out in many cases, and yet was to be saved in a wonderful manner.[16]

Clearly, the concept of a South African 'nation' was very narrow. P. J.

[15] *Report of the Select Committee*, p. 310.
[16] Havenga, Robbertse, and Roodt, *Geskiedenis vir Std.* VI (1958), p. 65.

Meyer, the present Head of the South African Broadcasting Corporation, wrote of 'the missionary deed of Boerdom in which the meaning and nature of its separate nationhood came to complete expression'.[17] The Director of Education in the Transvaal, Mr A. J. Koen, stressed that children should be taught 'correct relations' with other races. 'We must accept that God did not even make the trees in the forest the same, how much less the people on earth.'[18] Again the textbooks illustrate how the schoolchildren were receiving these principles: 'From the beginning the whites and the blacks were sworn enemies.'

Nor has higher education been exempt from the Christian-National influence and the political battles associated with it. After a series of attacks on the old 'open' universities, in which they were accused of 'sharpening an assegai with which the white man is to be stabbed in the back'[19] and of being 'provocatively liberalistic'[20], the demand grew for a second university on the Rand, to be run 'on a Christian-National basis'.[21] There is also the threat of a Christian-National strait-jacket on thought, inquiry, and experiment. The Association for Christian Higher Education objected in July 1963 to an exhibition on evolution in the Transvaal Museum, and soon after this a South African Association for the Promotion of Christian Science was founded, describing itself as 'against evolutionism, liberalism, and against humanism'. In May 1962, the Publications Control Board was set up, its members being appointed by the Minister of Education, Arts, and Science in his other capacity of Minister of the Interior; an exhaustive list of bannings has followed. Even the works of men of the new school of Afrikaans writing,[22] hailed as the most important new departure in Afrikaans literature, have been castigated as 'propaganda which is preparing the way and creating a breeding-ground for communism'.[23]

At the same time, political action against the universities has become increasingly fierce. The dismissals from Fort Hare in 1959, on the ground that the lecturers were 'destroying the government's policy of *apartheid*',[24] have been followed recently by the serving of banning orders on professors, lecturers, and students who are no longer allowed to teach or even publish research material: from the beginning of 1965 all teachers arbitrarily named as communists on the new list have been prevented from teaching in State-subsidized universities, colleges, and schools. The National

[17] *The Afrikaner*, p. 99. Quoted in a most useful unpublished thesis by F. E. Auerbach (University of the Witwatersrand, 1963) in which the history textbooks and school syllabuses are examined and compared.

[18] *The Sunday Times* (Johannesburg), 21 October 1962.

[19] Dr Albert Herzog, Minister of Posts and Telegraphs; *Star*, 27 May 1962.

[20] *Transvaler*, 2 November 1962. [21] *Star*, 18 September 1963.

[22] Authors such as Etienne le Roux, Andre Brink, and Jan Rabie who call themselves 'Die Sestigers' (The Men of the 'Sixties).

[23] Stated at the Volkskongress against communism, Pretoria, 1964.

[24] Mr Maree, then Minister of Bantu Education, quoted by Muriel Horrell in *A Decade of Bantu Education* (S.A.I.R.R., 1964).

Union of South African Students, a non-racial organization which has consistently opposed *apartheid*, has also been under heavy attack from the Minister of Justice. Perhaps the most disturbing threats to interference in the universities have been the uncompromising assertions of President Swart—'Hon. Members have said the government may not interfere with what is taught at the universities and with how it is taught. I totally reject that proposition',[25]—and of Mr F. H. Odendaal, Administrator of the Transvaal, at the 1961 graduation ceremony at the University of Pretoria:

> Universities should teach only those doctrines that do not threaten the survival of the white races. Although universities should enjoy the greatest freedom and should do research in all fields, even the political, they should take care to expound to the students only those ideologies that are not detrimental to the nation (volk). All doctrines should be tested against their practical application in a multiracial country, and only those that threaten the survival of the white race should be discarded.

Further contradictions in official statements have raised the third difficulty. The original Christian-National Manifesto was clearly designed to cultivate an Afrikaans identity, and early Nationalist policy endorsed this. The swing in the allegiance of the electorate, however, has meant that there is now some doubt as to whether education should be used to differentiate white children according to language, or to unite them as South Africans. The architects of intellectual Afrikanerdom and the defenders of the Afrikaans culture are to be found in the Afrikaans universities and the provincial teachers' associations: these are the supporters of the FAK, who interpret any concessions to the English-speaking voters as a body-blow to the 'volk'. To these, union of the two language groups is impossible and not to be attempted. In a lecture to the FAK, the Principal of Stellenbosch University, Professor Thom, outlined three possible ways of looking at the Afrikaner-English dispute. The two sections, he said, might merge into a solid unit, but this was not to be considered seriously by Afrikaners. Secondly, all differences might be forgotten, but to forget political differences and those of language was 'unacceptable'. Thirdly, it might be accepted that the two groups would never surrender, and that there were spiritual differences that would always exist because of repeated attempts to anglicize the Afrikaner.[26] This last point of view was also enunciated by Professor J. C. Coetzee, one of the sponsors of the Manifesto:

> The CNE policy of the FAK is the policy for the Afrikaans Calvinistic section of our population. It was never intended for the English-speaking Anglican section. . .[27]

[25] *Hansard*, 10 April 1959, speaking as Minister of Justice.

[26] *Star*, 4 May 1963.

[27] *The Theory of CNE* in *Symposium* (Johannesburg College of Education, 1960), pp. 22–3.

On the other hand, the politicians maintain that the old 'cultural struggle' mentioned in the preface to the Manifesto has been superseded by a more immediate threat, that the primary concern is to 'create one nation, whether the sacrifices were made at Majuba or El Alamein',[28] and to stand firm in a new fight:

> Our fight against the non-whites must be fought in the classrooms and not on the battlefield. We see the Bantu as a potential danger, and by mutual understanding we can avert this danger. . . It would not be a matter of politics in the school because it would not be promoting the objectives of a specific party. In addition, our national pride would be stimulated, for when the things that are your own are threatened, you have to fight for them, then they are nearest to your heart.[29]

No firm action has yet been taken to resolve this contradiction.

The FAK and its supporters often seem to be tilting at windmills, but this Afrikaans rearguard action may embarrass the Government before it can be appeased. The Nationalist victory at the polls has meant accommodation to English support at the cost of the convictions of the people who did so much to mould Afrikaner nationalism in the first place: the churchmen and the teachers. One may well ask, therefore, whether this is a significant indication that the Nationalist Government is amenable to pressure from outside the party ranks, and whether the approach to its own doctrinaire policies has become more flexible in recent years. From the developments in education it can be argued that the Nationalists are making certain adjustments necessary for the running of a modern sophisticated State. Political speeches on education since 1961 have sounded sweet with reason, and an attempt has been made to guard against too energetic an exercise of the powers of the conservative provincial authorities. Yet there is little indication of a real change of ground. The legislation now on the statute book follows so closely the educational pattern drawn in 1939 that one may doubt the likelihood of a fresh approach: indeed, much of the evidence for change is negatively based on evasive action on the part of the Government and the shelving of open Parliamentary discussion of many of the old questions. Moreover, the Broederbond is still in existence, and the Advisory Council holds a reserve of power that has not yet needed to be touched. In sum, the apparent flexibility has yet to be proved more than blandishments to allay the suspicions of the English-speaking voters. What seems certain is that Christian-National ideals and the tradition they stand for cannot yet be written off as past history.

[28] *Star*, 7 June 1962.
[29] Mr F. H. Odendaal, *Onderwysblad*, November 1963; also *Rand Daily Mail*, 15 May 1961.

Developing Southern Italy

A fifteen years' survey

MURIEL GRINDROD

ITALY'S economy has undergone some violent fluctuations in recent years. After a period of spectacular advance, it had to tide over a serious setback in 1963–4.[1] The Government's efforts, as embodied in the Five-Year Development Plan at present before Parliament, are now directed towards ensuring stability and continued progress. But there is one particular aspect of the economy which, irrespective of these ups and downs, has for decades been recognized as an inescapable weak point: this is the imbalance between the economy of the more prosperous and industrialized North and that of the South, largely dependent on agriculture.

Since the war there has been a drive, on a hitherto unprecedented scale, to improve conditions in the South. To this end, in 1950 the Government, then under the premiership of Signor De Gasperi, established a special Southern Development Fund, the *Cassa per il Mezzogiorno*, for a ten-year term, later prolonged to fifteen years, and with a capital allocation which eventually reached more than 2,000,000 m. lire over the fifteen years. The Cassa's term came to an end this year, and in July it was renewed for a further fifteen years until 1980, with 1,700,000 m. lire at its disposal over the next five years. The Cassa had also been authorized, early on in its existence, to contract loans abroad, and by January 1965 it had in fact received fifty loans, mainly for particular projects and amounting in all to 136,000 m. lire, from the European Investments Bank, as well as funds from the World Bank and two or three other banks.

The efforts for Southern development have thus had considerable financing at their disposal, from abroad as well as from the Italian State. This year, a sort of halfway-house in the Cassa's existence, provides a good point at which to look back over its progress so far and forward to its plans for the future. The present article will be concerned with developments in the major area, the Southern Italian mainland; but the Cassa's activities also, of course, extend to the islands of Sicily and Sardinia, in both of which considerable advances have been made in estab-

[1] See 'Italy's economic crisis: A temporary pause or an end of the "miracle"?' by an Italian correspondent, in *The World Today*, July 1965.

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lishing the infrastructure for further development, notably in irrigation and in the industrialization of eastern Sicily and the region round Cagliari.

The background

Geographically, the South of Italy, or the Mezzogiorno as it is often called, covers the five regions of Abruzzi and Molise, Apulia, Lucania (or Basilicata), Calabria, and Campania; the arbitrary dividing line between

This map is reproduced, by kind permission, from *The Economist*, 28 March 1964

it and the Centre-North runs roughly from north of Pescara, on the Adriatic, to south of Gaeta, on the Tyrrhenian Sea. These regions, together with Sicily, formed the old Bourbon Kingdom of Naples and the

Two Sicilies; and that heritage alone goes far to account for many of the differences between it and the North, which up to the unification of Italy experienced quite other types of rule. But there are geographical and climatic differences too, mostly to the South's disadvantage. Much of the region is hilly or even mountainous, with wooded or scrub land and poor soil suffering from erosion; water supplies are scanty—the rivers of Calabria and Lucania, torrential in the autumn rains, dry up within their stony beds in summer, and on the Adriatic side there are no rivers at all south of the Ofanto; and for months of the arid summer there is virtually no rainfall.

Not all of the South is as sterile and unpromising as this sounds—for one of its main and most disconcerting features is the sharp change, playing havoc with generalizations, between types of land within a relatively small area. The fertile coastal areas north and south of Naples have long been called 'Campania Felix'; and the vineyards and orchards along the Adriatic coast north of Bari come as a sharp surprise by contrast with the stony Murge a few miles inland. But, by and large, it is a difficult, thankless land; and till lately over half of its working population has had to live by efforts to extract from the land more than it was qualified to yield. The population has always far exceeded the means of livelihood. From the 1880s onwards large numbers of peasants used to emigrate to the Americas; but American legislation in the early 1920s checked the flow to a mere trickle. Past governments made some sporadic attempts to investigate and improve conditions in the South, and under the Fascist regime land reclamation was initiated in a few chosen areas—its one spectacular success being the draining of the Pontine marshes. But such efforts came to a standstill with the war; and the centuries-old traditional pattern of day-labouring on the extensively cultivated big estates remained untouched.

The war, however, brought some changes to the South. During its last eighteen months, Southerners came into contact with the Allied armies and Control Commission, and new ideas seeped in to shake their lethargy. Notably, the Allies used D.D.T. to check malaria in the coastal regions, and this innovation had the effect of eventually setting free for settlement large areas of land hitherto regarded as unusable. Returning prisoners of war, clamouring for land, began, often at Communist prompting, to occupy waste land on the big estates. Thus political as well as economic and social reasons provided the impetus for the Government's decision to embark on Southern development.

Land reform, reclamation, and irrigation

Such political considerations undoubtedly played a part in the launching in 1950, simultaneously with the Cassa, of land reform in the South. These two schemes were administered under separate authorities and

had different aims and scope; but inevitably they worked side by side, often in the same areas, until the land reform was completed ten years later. During the early 1950s the land reform, as the more revolutionary measure, attracted more attention—and more controversy; but its programme was on an altogether smaller scale than that of the Cassa, and its effects, seen now in perspective, seem likely to be much less far-reaching.

Briefly, its aim was twofold: to provide landless peasants with plots of their own on land expropriated, against indemnification, from the big estates, and to improve Southern agriculture by reducing the area under low-grade extensive wheat cultivation, introducing instead the intensive cultivation of cash crops on small plots. The expropriated land was distributed in smallholdings among peasants applying for it; and in various areas land reform settlements or villages were established, with houses for the peasants, who thus moved from their traditional dwellings in hill-top villages to the neighbourhood of their plots. They pay a small rent over a period of thirty years, after which house and land become their own property. Agricultural technicians operating from the main centres help them with advice about farming methods, setting up co-operatives for marketing their produce, and so on. By 1962, when all the allocation of land had been completed, a total of some 430,000 hectares[2] had been allocated in the South to 85,170 peasant families.

The initial impact of this scheme was considerable. To anyone visiting the South in 1950, when the first expropriation notices were posted up in the villages, and in the succeeding years, when the allocations of land were being made, it was clear that something was stirring at last. But the scheme ran into considerable difficulties. The peasants, initially sceptical, eventually applied for land in far greater numbers than could be provided for. Many had to be disappointed, while to satisfy all the qualifying applicants some of the land had to be allocated in plots of five hectares or less, too small to be economically viable and on soil quite unsuitable for the intensive cultivation that was planned. Bulldozers were brought in to break up the land, but even when cleared of scrub and stones much of it remained unpromising.

Moreover, many of the peasants took hardly to the idea of leaving their hill-top villages to live in the lonely countryside. The planners had imagined that they would be glad to live near their land and have done with the wearisome daily journey, on foot or donkey, from the village to their plots, often several kilometres away. But the pull of village life proved stronger, and it was even found that some peasants preferred to stay in the villages and make a longer daily journey rather than give up their traditional way of life. The classic example of this is La Martella, the village established early in the 1950s seven kilometres outside Matera

[2] 1 hectare = 2·47 acres.

to house the inhabitants of the 'Sassi', the cave-dwellings of Matera, which were to be closed. Twelve years later nearly half the caves of Matera were still inhabited, while La Martella was half empty; the peasants used the houses there to keep their tools, journeying there each day to work on their plots.

An even greater difficulty proved to be the psychological factor of developing the mentality of an independent smallholder in peasants hitherto accustomed to day-labouring at a farm bailiff's behest without initiative of their own. This was bound to be a long-term business, depending not only on the individual peasant's aptitude but also on the kind of help he received from the land reform's experts. These were often devoted and experienced men, many of them in the early stages brought in from the North, though latterly more and more Southerners have been so employed as the numbers of qualified technicians increased. But the land reform had to be carried through hurriedly, both for political reasons and because funds were running out; and one of the reproaches made against it is that it was conducted too 'paternalistically'.

Despite all these drawbacks, however, the land reform has some credits to its account. Perhaps the most important of these is that it broke up the centuries-old pattern of absentee landlordism on wasteful extensively farmed estates, with its attendant evil for the day-labourer of uncertain work for only part of the year and at a minimal wage. The absentee landlord, shorn of part of his property, is now virtually a thing of the past; for many landlords of the younger generation, faced with falling returns and growing competition, have found it worth their while to spend much more time on their remaining properties and to initiate modern methods of farming there.

In certain areas, too, where a combination of conditions proved suitable, the new land reform settlements have been an undoubted success, providing peasants with housing and an income such as they could never have dreamed of in the past. The outstanding example of this is Metaponto, along the Tyrrhenian coast west of Taranto; but the same could be said of, for example, Fabrizio di Corigliano and Apollinare, near Sibari at the mouth of the River Crati in Calabria, and of a number of other settlements in both Calabria and Apulia which present a spectacular change today as compared with their early stages in the 1950s.

The key factor for success has been irrigation, by water brought to the land by means of dams, reservoirs, and channels constructed under the programmes of the *Cassa per il Mezzogiorno*, to be described below. Here again we may take as an example Metaponto, both because the basic work in this area is virtually completed and also because studies in depth have been conducted there by Professor Rossi-Doria's Centre for Southern Agrarian Research at Naples University, which provide a wealth of detailed information and statistics about the various aspects of the

Metaponto experiment.[8] The total area concerned covers some 103,680 hectares, divided between the provinces of Taranto and Matera and running westwards along the Ionian shore—the 'sole' of the Italian 'foot'—to the Calabrian frontier. It was formerly mostly dune or marshy land, with at its western end the dense tangled forest of Policoro, a hunting reserve now nearly all cut down to make way for the reclamation works. It is backed by soil-eroded hillsides divided by the courses of rivers, chief among them the Sinni, Agri, and Bradano. These three rivers and the Tara, further east, have been dammed and now provide the waters for irrigating the whole Metaponto area. The result has been to enable not only the smallholders of the land reform but private farmers throughout the area to grow highly remunerative market-garden produce. Co-operatives have been established for its marketing, and co-operative centres provide for the loan of machinery and advice about its use as well as for processing some of the produce.

The Cassa and infrastructure for industry

The extensive hydraulic works carried out throughout Southern Italy are certainly one of the Cassa's most important achievements; and re-afforestation in the mountain areas provides a further check to soil erosion. But it has also built new roads and bridges and improved existing ones, constructed water-mains, sewers, and power stations—thus bringing water and electricity to many villages hitherto without them—and improved ports. All these public works were designed to provide the necessary infrastructure for the development of industry, hitherto to a large extent lacking in the South apart from the main centre of Naples.

It was early realized that Southern capital alone could never develop industries in the region, and incentives in the form of credits and tax reliefs were offered to induce Northern industrialists to build factories in the South. These schemes have had only partial success among private industrialists, but latterly para-statal concerns have moved in; and recent legislation provides that 40 per cent of State investment should be directed towards the South. Industrial development as now planned is being concentrated in specific areas: principally Naples and Salerno in the west, and in the east in a new 'industrial triangle' centred on Taranto, Brindisi, and Bari. Italy's fourth steel foundry was officially inaugurated in the old naval port of Taranto last May; the first section of the plant, manufacturing tubing, had already been in operation for a year. In Brindisi, where the port is being redeveloped by the Cassa, a Montecatini–Shell combine has established a big petrochemical plant. In both these towns and also in Bari an industrial zone houses other factories

[8] See *Problemi economici e sociali delle trasformazioni irrigue: L'esperienza del Metapontino*, edited by Manlio Rossi-Doria (Naples, Edizioni Scientifiche Italiane, 1964).

besides these giant concerns. In Bari, where the Stanic factory had already existed for many years, the most important factory in the new zone is a branch of Breda, the Pignone-Sud, making electronic and precision instruments. It is startling today to come upon another, much smaller, industrial zone in the once deserted Basento valley at Ferrandina, south of Matera, where some years ago deposits were found of methane gas, now piped to Bari and Taranto.

The advent of industry has brought a new prosperity to these Apulian towns; and the once shabby towns of Calabria too, Cosenza, Catanzaro, and Crotone, present a very different aspect now, with busy shops and large new blocks of flats. The change there reflects the advance in modern methods of agriculture in the surrounding country, bringing with it a host of new requirements in machinery and servicing stations, and the greater mobility between town and countryside. Cosenza's country bus terminal now seems almost as busy as Oxford's Gloucester Green; and the advent of the *Autostrada del Sole* is eagerly awaited to relieve the congested north–south main road—already its concrete parapets can be seen rising outside Cosenza.

Effects of investment and the recession

Income in the South has risen slowly but steadily as the result of investment there, and in 1963 showed a higher increase than that of the North, nearly 16 per cent as against 12 per cent. But this was the first year it did so, for till then the gap between Northern and Southern income, far from closing, had widened. Those were the years of Italy's spectacular economic advance, which brought rapid increases of income to the North while the South was less affected; whereas in 1963–4, when recession hit the North, the slowly maturing effects of investment in the South were just becoming apparent.

The failure to close the gap caused some economists to argue that it was useless to continue to pour vast sums of money into the South; it could never be brought up to the Northern level and should instead be regarded as a reservoir of labour for Northern industry. Whatever their opponents thought of this argument, this was in fact precisely what was happening during the years of rising prosperity from 1958–9 onwards. For by then many Southern Italians were tired of waiting for the promised coming of industry to the towns and water to the farms. Industry in Milan or Turin, or even further afield in Western Germany, was crying out for workers; and so they gave up the struggle and went north in ever-increasing numbers. By 1963 over 2 million Southerners were reckoned to have migrated in search of work during the previous twelve years. Only then did the recession check the flow, and some began to return.

Some of the emigrants to Northern Italy eventually settled there with their families. But far more of them, and most of those going to Germany,

left their families behind, sending them remittances and hoping perhaps to go back one day if opportunities for work in the South should improve. Some have, in fact, already returned to work in the Apulian industrial zones. Few sold their houses or land, for the property link is strong, and moreover it was hard to find a purchaser. But this exodus has left some of the remoter villages depopulated of able-bodied menfolk. On the less successful land reform estates, not yet reached by irrigation, one can see abandoned cottages and derelict plots of land; as a land reform technician told the present writer, if their owners had waited a year or two, the water would have come to change their prospects. Such abandoned properties are now being combined to form larger units.

A new approach to Southern development

This exodus of workers is only one, and perhaps the most apparent, of many changes that have caused the planners to rethink their ideas for Southern development. Fifteen years ago, over-population and unemployment seemed to be permanent factors in the South. Industrial development could come only slowly, and emigration, then thought of largely in terms of settlement overseas, was only a partial solution; thus agriculture seemed the only sure way of providing employment. These ideas proved unfounded. The rapid increase of industrial incomes, together with greater social mobility, made even the improved income from agriculture uncompetitive. At the same time, trade liberalization and the Common Market brought Italy into contact—and competition—with more advanced countries. New criteria had now to be applied. Yet many economists feel strongly that the efforts for development of the South must still be maintained—not only for the obvious social and humanitarian reasons but also to prevent its becoming once more a lasting drag on the economy as a whole.

Such thinking is reflected in this year's law governing the Cassa's renewal. On the administrative side, there is to be greater co-ordination of action through a Committee of the Ministers concerned with the various aspects of Southern development, under a special Minister for the South who will supervise the operation of the Cassa and approve its programmes. The present Minister, Signor Giulio Pastore, is a man with long experience as Minister without Portfolio concerned with Southern affairs in previous Governments: he now has genuine ministerial status and more direct powers. On the programme side, the Cassa's special interventions are to be framed within a plan covering, in the first instance, the next five years, to be approved by the Committee of Ministers, to coordinate all public interventions in the South, and to be related to the Five-Year Plan for the national economy as a whole. They will concentrate on three particular spheres: the irrigated land areas, the areas of planned industrial development, and areas of possible expansion of

tourism. The financial allocation is increased: the figure of 1,700,000 m. lire over the next five years, or 340,000 m. a year, is almost double the annual figure allocated for the period 1957–64, and should permit of the realization of specific infrastructures still needed.

All this suggests a fresh approach and clearer thinking about what still remains one of Italy's most urgent and delicate problems. There may have been waste of effort and money in the past, but nevertheless there is now solid groundwork on which to build. Moreover, as the result of intensive research and experiment much more is now known and understood about the possibilities of the South in the light of modern techniques.

Testing-time in Canada

DONALD GORDON

IN its preliminary report earlier this year, Canada's Royal Commission on Bilingualism and Biculturalism, commissioned to study and assess the problems and conditions of national unity, issued a blunt warning:

> All that we have seen and heard has led us to the conviction that Canada is in the most crucial period of its history since Confederation. We believe that there is a crisis, in the sense that Canada has come to a time when decisions must be taken and developments must occur leading either to its break-up, or to a new set of conditions for its future existence. We do not know whether the crisis will be short or long. We are convinced that it is here. The signs of danger are many and serious.[1]

This statement, which provided rather an uncomfortable shock for most English-speaking Canadians and was promptly belittled by a majority of English-language newspapers, was based on some fourteen months of public and private hearings across the country. It mirrored a testiness and anxiety seldom expressed before in the traditional monotony and moderation of Canadian life. And it helped to provoke an impressive acceleration of political, economic, and social efforts towards renovation and reform at every level of governmental and private activity.

A major test of the concepts and content of change essayed to date will

[1] *A Preliminary Report of the Royal Commission on Bilingualism and Biculturalism*, Ottawa, Queen's Printer and Controller of Stationery, 1965, p. 133.

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come with the general election to be held on 8 November, as announced by Prime Minister Pearson on 7 September. The election will inevitably be beclouded by claims of prosperity and charges of corruption but it will still focus largely on an electoral decision as to whether the nation's political leaders have chosen correct remedial courses and adequate means for their implementation.

Three main areas of change are involved. First, there is the challenge to provide what Federal politicians are describing as 'equality of opportunity' for individual English- and French-speaking Canadians across the country. This effort—still patchy and sporadic—marks a recognition of the fact of long-standing discrimination against French-Canadians in the fields of public employment, the management of private industry, education, and, to a degree, social intercourse. Since, it is argued, French-Canadians have recognized and taken steps to correct their parallel sins of parochialism, social immobility, and clerically classical schooling, it behoves English-Canadians to open the doors of administration and management to qualified French-Canadian candidates and, equally, to provide schools and other facilities for French minorities in the English wastelands.[a]

Secondly, and probably more crucial in the long run, there is the challenge to provide for 'the equality of two major cultures'. This, as currently stated, involves both a recognition that two nations—one predominantly English and one predominantly French—are embraced within the one national fold and a negotiation of substantially revised terms of federation so as to give effectively balanced power and representation to each. As such, the tasks proposed include important devolutions of Federal power, held in Ottawa, to Quebec (and the English-dominated provinces), possible changes in the structure of the Federal House of Commons and Senate, and an increase in the significance and frequency of Dominion-provincial conferences.

The third area of change exists apart from the emotionally charged issues of English-French relationships. It focuses on the recently recognized problems of all five of Canada's social and economic regions (the Maritimes, Quebec, Ontario, the Prairies, and British Columbia). The challenge here is to allow for authority and leeway to implement relatively distinctive programmes of social welfare, education, economic development, and fiscal policy in these different areas, while still attempting to maintain workable common minimum standards across the land.

None of the challenges raised so far has been wholly or effectively met—a not inconsiderable factor in the ever-growing introspection visible throughout the country. But, in the initial grappling that has occurred, three broad and fairly distinctive approaches have been tentatively made.

[a] For further consideration of the French-Canadian problem see 'Crisis in Canada' by Dale C. Thomson, in *The World Today*, October 1964.

The Progressive-Conservatives, led by the Prairie-oriented Mr John Diefenbaker and providing the major Federal Opposition party, have espoused a go-slow policy with overtones of assimilation engineered by English Canada. While they pay abundant lip-service to the cause of bilingual and bicultural concessions, they appear to be attracted by the prospect of constructing an electoral majority in the Federal House of Commons from English Canada alone—a majority that would include many voters prone to an 'English back-lash' reaction to French-Canadian demands.

Thus, senior Progressive-Conservative spokesmen have stressed these main campaign points:

(1) Maintenance of a strong Federal Government which would insist on the legal fact of Canadian unity, the supremacy of the Federal Parliament, and the legal equality of all ten of Canada's provinces.

(2) Negotiation of a formula to allow for the amendment of the British North America Act in Canada (amendment is at present the preserve of the British House of Commons, usually in response to a joint address of the Canadian Commons and Senate which, in turn, involves varying and ambiguously determined degrees of consultation with the provinces). Implementation of such a formula would have to precede any consideration of eventual constitutional changes. This would necessarily presuppose, in any subsequent constitutional consultations, the continuation for some time of the present line-up of nine English-Canadian provinces plus an English-Canadian-dominated Federal Parliament ranged against French-Canadian Quebec.

(3) Use of the Federal authority for both direct and indirect action to redress regional disparities in the four main fields of governmental concern cited, namely, in social welfare, education, economic development, and fiscal policy.

This is not to say that all Progressive-Conservatives are agreed on such positions. Within their ranks, as with the beleaguered Liberals, there exists a spectrum of opinion of very considerable dimensions indeed. But, so far as statements for public consumption are concerned, their posture has been remarkably consistent.

Mr Pearson and the Liberals, at present the minority Government and the principal practical negotiators with the nation's diverging groups, have conjured up a fresh presentation for the traditional concept of co-operative federalism. Their main points are these:

(1) The sharing of constitutional powers between the Federal Government and the provinces on an *ad hoc* basis. Through continual consultation between members and officials of the eleven cabinets involved, individual programmes and issues are to be dealt with solely on their political and economic merits and acted upon when com-

mon agreement can be secured. Provincial and Federal parliaments, in this context, tend to be left with little more than a yea or nay authority.

(2) Provision of an 'opting-out' system whereby individual provinces may retain their distinctive programmes and, to a degree, sources of tax income in areas which either are clearly established constitutionally as provincial concerns or represent points of conflict that are politically untenable. When 'opting-out' has been taken up, mainly by Quebec and Alberta, it has usually meant agreement on compatible standards in order to allow the transfer of welfare rights and so on, but administration by the particular province involved.

(3) Delay in commitment regarding the means or the substance of constitutional amendment pending reports from the Biculturalism Commission and other groups surveying the national situation.

(4) Stimulation of regional equalization by means of assisted emigration from depressed areas, selective allocation of Federal public works, crop and export insurance schemes—all centrally supervised—and extensive use of provincial authorities as agents doling out education grants and funds for municipal renewal, road building, and related projects.

In the third category of solution-mongers are the leaders of Federal and regional parties such as the *Créditiste* faction in Ottawa, and both the Liberal Government and the National Union Opposition in Quebec. Their common theme is the recognition of English and French Canada as two associated States existing within a renegotiated federal framework, or, failing English-Canadian acceptance, as separate entities. To achieve such a goal, they frequently propose the calling of a constitutional convention to redraft the basic terms of confederation so that the two Canadas may co-exist on an equal footing. And they insist that such redrafting be done on terms less weighted than the nine provinces plus Ottawa against one.

Though lacking in definition or precision as a consequence of sharp differences within its own ranks, the 'Associated States cum Separatist group' has gained a powerful position during the last year. Its revised appeals, largely shorn of the wilder overtones of forcible withdrawal from Canada, have gained widespread support in Quebec itself and modified, though parallel, agreement in parts of the Maritimes. At the least, it threatens to channel off major party strength in Quebec and to stimulate extremist reactions in important sections of the Bible-bound Prairies and British Columbia.

As a result, current polls notwithstanding, there is a serious danger that no party will be returned to Ottawa with a clear majority and that, in the course of the election campaign, the present rigidities in English-French relations will be intensified. Already, Canadians of the two main camps

are very close to the situation described by Professor W. A. Lewis in his recent discussion of one-party States:[8]

> Now willingness to accept the results of the ballot box requires consensus. This will not be found where the contenders for power disagree so sharply on matters which they consider fundamental that they are not willing to allow their opponents to govern, whatever the ballot box may say.

And again:

> Countries with this kind of problem need both a strong centre and strong provincial governments; and this is not a contradiction, since government functions are now so numerous that there is plenty of room for both. It is quite true that a country needs a strong central government to hold it together, meaning by this a government which acts boldly in all spheres which are of common interest. But it is equally true that a country with sharp regional differences needs to give its provinces the opportunity to look after their own affairs, if they are to feel content with the political union.

Such an argument goes further than either the Progressive-Conservatives or the Federal Liberals in Canada contemplate at present. It is not yet deemed to be politically feasible or profitable to go beyond the existing framework of central and provincial governments to one based on a negotiated assignment of 'common interest' to a central authority and the organization of lesser legislatures in terms of true regions rather than artificially contrived provinces. But, at the same time, it is significant that a gathering of some 300 leading Canadian politicians, administrators, economists, and union leaders this summer arrived at surprising unanimity on the need for just such evolution as soon as possible. In a week of discussion and debate during the annual Couchiching Conference sponsored by the Canadian Institute on Public Affairs and the Canadian Broadcasting Corporation, Federal and provincial politicians generally conceded that such changes lie at the root of Dominion-provincial negotiations once they get under way. And, as encouragement from the hustings, there was widespread exhortation from rank-and-file delegates, most of them possessed of important local political influence, to recognize that the need for negotiation is now being very rapidly accepted.

In addition, it was suggested that recent Canadian economic developments may well shift the present balances of political advantage towards policies of federal devolution and increases in regional power. In the wake of post-war industrialization, resource development, and the expansion of international markets, the ten Canadian provinces have evolved economically into five regional groups each possessed of the possibilities or promise of relative regional self-sufficiency. This de-

[8] W. Arthur Lewis, 'Beyond African dictatorship', in *Encounter*, August 1965, p. 4 and p. 7.

velopment, now being charted in the nation's basic statistics, has meant that the previously pre-eminent position of Ontario as the imperial motherland of four subordinate colonies has been significantly eroded. While still willing to pay the annual fee of roughly $1,000 m. to maintain links and trading patterns east and west across the continent (instead of north and south with the United States), the four outside regions have grown sufficiently in population and/or economic stature to be able to express forcibly their own individual and frequently hostile ambitions.

Thus a common economic cause is now emerging to link the developmental ambitions of, for example, Quebec and the Prairies. This suggests that they will soon find themselves arguing jointly against Ontario for greater regional control over banking, welfare funds (an important source of developmental capital), immigration, and possibly international trade and commerce. Such ambitions also provide an argument for the coalescing of regional provinces in order to achieve a more effective bargaining position and also better administration. Already the Prairie components —Alberta, Saskatchewan, and Manitoba—have come together for common industrial development and assessment schemes, and glimmerings of an attempt to make political capital are being detected in proposals for a Maritime union of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland.

As the ageing dynasties of the more extreme provincial administrations pass away—one is already gone in Saskatchewan and another is shaky in Alberta—the realistic prospect of increasingly close regional relations can be expected to grow apace. And with consolidation of regions, there emerges a redressing of economic balance closely in line with political needs. Quebec then secures the promise of a more equitable context for negotiations (a splintered four against one with cross-currents of common cause) and the grosser inequities between individual provinces are wholly eliminated.

Such schemes, of course, are still dim glows on the Canadian horizon for the present. Firmly entrenched Federal and provincial establishments exist in powerful opposition. An agony of continued minority government at the centre threatens to debilitate much-needed leadership. And the racial emotions and hatreds at the heart of the nation remain to be fully exposed and rooted out. But, given a continuation of growing English-Canadian awareness of the national peril and some generous extra patience from French Canada, the next two or three years may very well see the social and political revolution which is deemed necessary and inescapable.

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Note of the month

The Rhodesian crisis

RHODESIA has long presented a dilemma for Britain, causing embarrassment at the United Nations and occasioning prolonged debates within the Commonwealth. During October it became a crisis with international dimensions which, although long expected, caused considerable public confusion.

Rhodesia's Prime Minister, Mr Ian Smith, arrived in London on 4 October accompanied by the Minister of Justice, and Law and Order, Mr D. W. Lardner Burke, to make a final demand for independence under the present Rhodesian Constitution. He was preceded by the Minister of Internal Affairs, Mr W. Harper, the leader of the Right wing within the Cabinet, and the Minister of Finance, Mr J. J. Wrathall. The task of this advance party was apparently to discover attitudes towards a unilateral declaration of independence in the City and in other circles in Britain traditionally regarded as sympathetic to White Rhodesia. They received no encouragement, particularly from potential or present investors.

The talks, first with the British Secretary of State for Commonwealth Relations, Mr Arthur Bottomley, and later with the Prime Minister, were short compared with many independence talks in the past, and were a total failure. They were held in order to find out if either the British or the Rhodesian Government was ready to modify attitudes already adopted and understood by each side. The British Government also welcomed the opportunity to repeat its warnings on the consequences of unilateral action. The earlier negotiations having been confidential, public opinion was ill-prepared for the sudden increase in tension. Parliament was in recess, and it was only after extensive press and television coverage that the implications of the crisis began to be fully understood. On the one hand, Britain, after a remarkably successful programme of decolonization, was in danger of failing in her last major colony and losing much of the goodwill gained by her earlier successes. On the other hand, Rhodesia seemed determined to embark upon a course of action designed to end her British connection and to put her outside all existing international organizations.

In the face of this threat, the policy of the British Government has been to continue negotiations as long as possible in the hope that some basis

for agreement could be found, to avoid any act of provocation, and to leave itself room for manœuvre in the event of any change in Rhodesia's attitude. It has suggested compromises which many Africans would find it hard to accept. Although stating that economic sanctions would follow a unilateral declaration of independence, it has not specified their extent. The Government has achieved in the essentials a bi-partisan policy with the Opposition. This has developed since Sir Alec Douglas-Home, on his last day as Prime Minister, rejected the Chiefs' *indaba* organized by the Rhodesian Government to demonstrate the support of the African people and Mr Wilson, on becoming Prime Minister, confirmed this rejection. Through the Leader of the Opposition, Mr Edward Heath, the Conservatives have condemned unilateral action as 'illegal', although they have not come out in full support of penal sanctions, as opposed to those automatic economic measures which would follow from Rhodesia breaking her Commonwealth ties. There have been warnings addressed to Mr Smith from all sides about the grave and incalculable consequences of unilateral action, and the Rhodesians have no ground for thinking that a Conservative Government would have regarded a U.D.I. any less seriously than does the present Labour Government. The tone of all Government and Opposition statements has been that of warning and appeal for restraint. Mr Smith cannot, and does not, complain that he is being provoked into illegal action by a Government that has not given him a fair hearing.

Britain's terms for negotiated independence were given by the Prime Minister in a television broadcast on 12 October after the talks had failed. Indicating the extent to which the Government had been prepared to make concessions to Mr Smith, Mr Wilson said that agreement had been sought on the basis that if Britain was to break with precedent and give independence to Rhodesia before majority rule had been achieved, it must be assured that there would be:

(i) guaranteed and unimpeded progress to majority rule;
(ii) no amendment of the Constitution after independence which would make it even less democratic;
(iii) an immediate improvement in the political status of Rhodesia's 4 million Africans;
(iv) progress towards the ending of racial discrimination; and
(v) a satisfactory demonstration that the conditions proposed for independence were acceptable to the people of Rhodesia as a whole.

Conditions (i) and (ii) are clear in intent but difficult, if not impossible, to enforce. Conditions (iii) and (iv) would require substantial changes in the security laws under which African leaders are restricted and their parties banned, as well as the progressive repeal of the Land Apportionment Act and a rapid expansion of African education. But clearly none of these steps could be of any value unless they went far enough to achieve

the consent demanded by condition (v). Mr Smith does not foresee African majority government in his lifetime—he is only forty-six—and the African nationalist leaders call for immediate majority rule. The gap seems too wide for any agreement on such terms to bridge.

Recent signs of differences emerging between the British Government and Opposition could, however, bring party politics into a situation where they have no place. They have shown in the reactions to Mr Smith's message of 20 October, calling on Britain to do 'the reasonable and just thing' and grant Rhodesia independence on the 1961 Constitution and suggesting that 'a solemn treaty' could guarantee that the Constitution was upheld. Sir Alec Douglas-Home speaking at Edinburgh University on 20 October welcomed Mr Smith's proposal as a basis for renewed negotiations, and said that the necessary safeguards against a recession of African rights could be embodied in an international treaty with the Privy Council as adjudicators if need arose. Mr Cledwyn Hughes, Minister of State for Commonwealth Relations, pointed out, from the same platform, that the basis of negotiations had been that there must be an *advance* on the 1961 Constitution before independence could be contemplated. The Government, he said, could not depart from the conditions laid down by the Prime Minister, and this was confirmed by Mr Wilson when he announced that he and Mr Bottomley would visit Rhodesia. The exchanges between the two Prime Ministers which heralded this visit seemed to show the two sides to be as far apart as ever.

The Constitution, which Mr Smith now seeks to enshrine in a solemn treaty, was granted in 1961 by Order in Council[1] to replace that of 1923, and imposes very few limitations on the Rhodesian Government. Executive authority is, however, vested in the last resort in the Governor as the Queen's representative. The Governor is appointed by the Crown after consultation with the Prime Minister of Rhodesia, and normally acts on the advice of a Council headed by the Prime Minister. He acts alone only where the dissolution of the Legislature and the appointment of the Prime Minister are concerned; here he is bound by similar conventions to those applying to the Queen in Britain.

The franchise qualifications form part of the Constitution. For the A-roll, which dominates fifty seats in the Legislature, a voter must be aged twenty-one, and have one of the following qualifications: (*a*) an annual income of £792, or property to the value of £1,650; (*b*) £528 per annum, or property worth £1,100, and primary education; or (*c*) £330 per annum, or property worth £550, and four years' secondary education.

For the B-roll, which controls the election of fifteen members, the qualifications are twenty-one years of age and (*a*) £264 per annum or property worth £495; or (*b*) £132 per annum, or property worth £275, and two years' secondary schooling. For those of thirty years and over the

[1] No. 2314 of 6 December 1961.

qualifications drop to £132 per annum and primary education, or £198 per annum or property worth £385.[3]

Chiefs and Headmen qualify automatically for the A-roll and certain kraal heads and ministers of religion for the B-roll. B-roll votes are devalued if they amount to more than 25 per cent of the total A-votes cast in one of the fifty constituency seats, and the A-roll votes are similarly devalued in the fifteen electoral districts.

A Declaration of Rights was written into the Constitution to prevent the passing of discriminatory legislation, and a Constitutional Council was established to examine whether new laws accorded with the Declaration. Council decisions can be overruled by a two-thirds majority, however, and in most cases after six months by a simple majority. Since the Government controls all fifty A-roll seats the Council has very little influence.

The limitations on Rhodesian sovereignty lie mainly in the power over the office of Governor reserved to the Crown, and in the restrictions on the amendment of the entrenched clauses. Amendment of any section of the Constitution requires a two-thirds majority, but the entrenched clauses also require either separate approval by referenda in the four racial groups, European, African, Asian, and Coloured, or the assent of the British Government. The franchise, the position of High Court Judges, and the Declaration of Rights are amongst the items dealt with under the entrenched clauses.

The main ground for the African boycott of the Constitution lay in the fact that the fifteen B-roll seats, being less than two-thirds of the House, were not able to prevent the amendment of most clauses of the Constitution. The point was also made that the economic and educational situation gave most Africans no hope of qualifying for the A-roll; yet, however many voters were on the B-roll, only fifteen members could be returned on that roll to the Legislature.

The British Government can amply justify its determination to deny Rhodesia independence under the present Constitution by the actions which successive Rhodesian Governments have taken since it came into force. Every African political party which has commanded measurable support has been banned. The already rigorous security laws have been amended, empowering the Government to prevent the formation of African political parties led by individuals who held office in previously banned organizations. The death sentence is mandatory on the Courts for offences involving the throwing of explosives directed against a person or residential building whether or not occupied, and men sentenced under this clause have been held in the death cells for as long as eighteen months,

[3] These figures include the 10 per cent increase in the financial qualifications, carried by S. Rhodesia Proclamation 32 of 1964, and added because of the decline in the value of money.

although none has yet been executed. *The Daily News*, which has a wide circulation amongst African readers, was closed down last year.

Under the Emergency Powers Act, emergencies have been almost constantly in operation in different parts of the country, making possible detention without trial. Some 1,000 people were detained after emergencies had been declared last year in Highfield and Harare, the African townships around Salisbury, and when these were eventually lifted many were sent into restriction areas or banned from the Salisbury area. The most recent amendment of the omnibus Law and Order (Maintenance) Act provides for restriction up to five years, and it is under this measure that Mr Joshua Nkomo and the Reverend N. Sithole, leaders of the two banned nationalist parties, are now restricted. There are about 1,000 restrictees. The latest emergency covering the area of Gonakudzingwa, the largest restriction area, ensures that these men and women are isolated from the mass of the African people. Their release and participation in the political life of the country would be essential to gain the 'consent of the people as a whole'.

The Declaration of Rights incorporated in the 1961 Constitution has failed to protect the opponents of the Rhodesian Government from these numerous restrictions on their freedom, and it will provide no protection for the latest restrictee, ex-Prime Minister Mr Garfield Todd, who is restricted to his ranch for one year. It is an example of a constitutional safeguard which has proved ineffective. The Declaration of Rights does not apply to discriminatory legislation passed before 1961. It cannot therefore affect the Land Apportionment Act, under which 37 per cent of the land, including that in all major town centres, is reserved exclusively to ownership by 5 per cent of the population. (Whites number 219,000 out of a total of 4,240,000.)

Educational facilities are segregated except at university level. Attempts to establish non-racial private secondary schools were recently halted on the ground that the Land Apportionment Act was being contravened. It is estimated that average government expenditure per European pupil is now some ten times greater than that per African pupil. Enrolment in Form IV and above—the key to the A-roll franchise—is 6,813 Europeans, 472 Coloured and Asians, and 1,042 Africans. Promises of expanded African education have not yet been fulfilled. More African children are in school, but government expenditure on non-African education has been increased by 5 per cent this year as against a 4 per cent increase for African education.[3]

Rhodesia has known for a year now that if independence is taken and not negotiated economic sanctions will follow. It is recognized that the automatic economic consequences, such as loss of Commonwealth preference, would lead to losses for exporters and tobacco farmers, but their

[3] Professor T. Curtin, in *The Central African Examiner*, August 1965.

effect is not expected to be decisive. There are, however, other economic measures which, if imposed, could be extremely serious. Last May the Institute of Directors in Rhodesia gave warning that: 'If Britain did no more than stop capital contributions and withdraw Commonwealth preferences the effects would be serious enough. . .' The Associated Chamber of Commerce predicted loss of Commonwealth preferences, the exclusion from Commonwealth commodity agreements, embargoes on exports and imports, and immediate import controls in Rhodesia. Exchange control would be tightened, there would be an internal devaluation of Rhodesian pounds and a credit squeeze. The Chamber of Commerce gave warning that many firms were already trading well beyond prudent limits, through the use of overdraft facilities, extended credit, and credit granted by overseas suppliers. Tobacco farmers depend heavily on credit facilities during the planting season and until the tobacco auctions begin in March and April.

Rhodesia would therefore be particularly vulnerable if British banks were forbidden to make transfers from London to Salisbury. Rhodesian businessmen may look hopefully towards South Africa to compensate for harsh economic measures by Britain and the Commonwealth; but the response is by no means certain. The most recent initiative in the business field is that taken by the Confederation of British Industries which sent a four-man mission under its Vice-President, Sir Peter Runge, to underline the economic dangers for Rhodesia of a U.D.I.

It has been argued in the past by supporters of the African nationalist cause that a unilateral declaration of independence would serve their cause by breaking the deadlock and laying the Smith Government open to international pressures which it would not be able to withstand. No one can be sanguine, however, about what would replace the Smith Government, or how quickly outside intervention could restore constitutional government in Rhodesia, or what would be left of the economy when outside pressures had done their work. The way would be open to majority government, but the cost of forging this path is indeed incalculable. In view of Rhodesia's threat, and Britain's moral and constitutional responsibility, there seems no other path to follow. What is abundantly clear is that, should Britain fail to reassert her authority in Rhodesia, the security of British citizens and interests throughout independent Africa will be in jeopardy.

For Britain the constitutional position following a U.D.I. would be that, since the 1961 Constitution cannot be abrogated without the consent of the Crown, a unilateral declaration of independence would impose on Her Majesty's Government the duty to assume direct responsibility for the protection of all Rhodesian citizens who remained loyal, that is, all those who declined to support the rebel government and all servants of the Crown who refused to transfer their allegiance. The con-

trivance of appointing a Regent within Rhodesia to 'stand-in' for the Crown could have no legal validity, since the Queen, advised by the British Government, would refuse to sanction the appointment.

How, then, is Britain to carry out this constitutional duty? The Prime Minister has gone no further than to state that economic sanctions will be imposed. British sources at the United Nations indicate that, given international support, such sanctions could be effective in terminating an act of rebellion; but many observers doubt whether they could be more than an act of slow strangulation. Once Rhodesia declared her independence, Britain could be expected to withdraw her opposition to United Nations action. To date, Britain has maintained that sole responsibility for Rhodesia's affairs lay with her as the colonial Power and has refused to participate in the voting on U.N. resolutions. On the occasion when the Rhodesian question came before the Security Council in September 1963, Britain used the veto. Support from almost every member State of the United Nations can be expected for a programme of economic sanctions, and the pressure for decisive, and possibly for military, action will grow as long as the Rhodesian Government continues its defiance of Britain. Moreover, any retaliatory action by Rhodesia against Zambia which began to be effective would make this pressure irresistible—hence the detailed contingency planning for the mounting of support for Zambia, should she be blockaded by Rhodesia and possibly also by the Portuguese. In these preparations the United States has been in the closest possible consultation with the British and Zambian Governments.

At the time of writing, as the British Prime Minister begins his visit to Rhodesia, a U.D.I., in principle or in fact, still seems inevitable. If, however, it does not take place, the British Government will have to turn its attention to bringing about constitutional changes in the direction of majority rule. For the Rhodesian crisis will constantly recur until an independent nation under a majority government has been created. This is not to say, however, that its creation overnight would solve the crisis. President Nyerere's maxim of seeking the right, rather than the speedy, solution of the Rhodesian problem would surely then become the dominant theme.

JANE SYMONDS

Latin American integration: a new phase?

ANDREW SHONFIELD

GIVEN the notorious obsession of Latin Americans with Europe and its history, it is remarkable how little interest they show in looking for historical analogies between the movement of European integration since the war and the effort to create a Latin American Common Market. That is not to say that they do not make constant references to the European Economic Community. Like the French Revolution, it has an acknowledged place in conversation. But its function is for the most part rhetorical. One of the strongest impressions that I gained from a series of conversations about the mechanics of integration was a profound lack of knowledge about the facts of Western Europe's experience.

Thus, at the most superficial level, the analogy which readily occurred to a European when President Frei of Chile launched his letter in January of this year, appealing for a new initiative on Latin American integration, was the effort to 'relaunch Europe' made by the small Benelux countries at the time of the Messina Conference in 1955.[1] The movement towards European union seemed at that time to be at a very low ebb, and the Committee which was then set up under M. Spaak was deliberately designed to create the political impulse which would get it moving forward again. Its report was the prolegomenon to the Treaty of Rome. The story of the Spaak Report and of the successful political initiative of the small Powers had barely been heard of in Latin America; yet one might have expected that some enterprising journalist would at least have noted the parallel with Latin America in early 1965. Like the European venture at the time of Messina, the first essay in integration in Latin America seemed to be running out of steam. The need for a new and forceful initiative was recognized, and again it was a small country, Chile, which tried to force it on the large. In Europe the trouble was the limitations of the instrument of integration created by the Schuman Plan and the European Coal

[1] See M. Camps, *Britain and the European Community 1955–63* (London, O.U.P., 1964).

Mr Shonfield, who is Director of Studies at Chatham House, visited several Latin American countries earlier this year and had conversations with President Frei of Chile and other leading personalities concerned with the problem of Latin American integration.

and Steel Community; in Latin America it was the inadequacies of the Treaty of Montevideo setting up the Latin American Free Trade Association (LAFTA).

The Treaty, which lays down a programme of economic integration for the nine nations[3] which signed it, came into effect in the middle of 1961. After the first big bout of tariff concessions by the members of the group, there have been growing difficulties about the removal of further barriers to trade. Every tariff change is the subject of individual negotiation on the item concerned. The commercial interests which are affected, or believe that they may be affected, by such change have proved to be very influential and very nervous. They show no propensity to take a short-term risk in order to secure a long-term gain. It would, in any case, require a special effort on the part of the governments of the Latin American countries to carry the programme of integration forward, in the face of the opposition of these interest groups. In fact, the governments seem as unwilling to take the political risks as the businessmen are to accept the commercial risks.

President Frei's invitation

What President Frei asked for in his letter of last January was, above all, a clear-cut *political commitment* on the part of governments to a process of integration to be set out in a series of closely defined steps. The letter, although launched with the maximum of publicity and treated as an official proclamation by the Chilean Government, was written in the form of an invitation to four distinguished Latin American economists to work out a set of specific proposals. The four men were Raul Prebisch and Jose Mayobre, both former Directors of the Economic Commission for Latin America, Felipe Herrera, President of the Inter-American Development Bank, and Carlos Sanz de Santa Maria, Chairman of the Inter-American Committee, Alliance for Progress. They produced their answer in a twenty-eight-page document in April.[4] Because of the positions of authority occupied by these men as well as their personal standing outside the rough and tumble of Latin American national politics, the plan of action which they put forward has some importance. It also bears a close resemblance to certain proposals which were brought forward by the Economic Commission for Latin America in its annual report to member governments in 1965. (There is no secret made of the collusion between the two.)

What is especially interesting about this new initiative is the evidence of a movement towards something less than the traditional whole-hogging approach to the subject of integration. In particular, there is a pretty clear

[3] Argentina, Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay were the original signatories; Colombia and Ecuador joined towards the end of 1961.

[4] *Proposals for the Creation of the Latin American Common Market* (Washington, Inter-American Development Bank) (Mimeo.).

implication that what Latin America should really aim at now as a practical target is a system of mutual preferences, rather than a genuine free trade area. Secondly, there is a new willingness to accept, and even to encourage, certain forms of partial integration among limited groups of countries, even if this means in effect that they will discriminate against other countries which are signatories of the Montevideo Treaty. Indeed, it looks as if the actual experience of the first four years of LAFTA in action has led the four economists to contemplate the possibility that the ideal of comprehensiveness in Latin American integration may have to be sacrificed, for the moment at least, in order to secure a more rapid expansion of Latin American trade.

New proposals

There is no hint of anything of this sort in President Frei's original letter. His emphasis is all on the need for a much more powerful central institution guiding the integration of Latin America, which should be able to distribute gains and sacrifices on a more equitable basis among individual countries. The economists support him in calling for a stronger independent body at the centre of LAFTA. What they suggest is a small group of independent persons—a maximum of seven including the chairman—who will combine certain diplomatic, promotional, and judicial functions. The model of the European Commission in Brussels is plainly in evidence here. But there is no indication given of how the proposed 'Junta' for the Latin American Common Market will attract the power that it needs to have if it is to do its job properly. After all, in Europe the Treaty of Rome specified a considerable and increasing number of tasks which the Commission in Brussels was to perform on behalf of the six governments. Indeed, the present crisis in the EEC has arisen because General de Gaulle now insists on calling in question the natural principle of growth which is built into the powers of the European Commission. In Latin America the political mood that might lead governments to envisage the surrender of powers, implied in the creation of a body analogous to the European Commission, seems today to be almost entirely lacking, except possibly in Chile.

There is the interesting and much more modest proposal contained in the report of the four economists that a new institution to finance joint Latin American investment schemes should be set up in conjunction with the Inter-American Development Bank. Such a body, with funds of its own whose employment would be determined without being referred to individual governments, could conceivably begin to operate as a force with some degree of autonomy in the process of Latin American integration. It could do a great deal more to stimulate trade by providing generous export credits and it might even put political pressure on governments to adapt their separate national tax laws, for instance, to some

common norm, in order to make certain joint capital projects feasible.[4] But this kind of initiative would first have to obtain the active support of the United States, which puts up most of the money for the Inter-American Development Bank.

The four economists were able to be much more specific and precise in their proposals for achieving an automatic series of tariff cuts, in place of the present unsatisfactory system of piecemeal negotiation product by product. They pointed out, first of all, that the average tariff applicable to imports of goods from one Latin American country to another is over 100 per cent, and that many individual tariffs go as high as 200 and 300 per cent. As a first step, they proposed that all such tariffs should be reduced, within five years, to a maximum of 50 per cent. In the following five years the maximum should come down to 20 per cent. At the same time, the countries concerned should move towards a common external tariff against the rest of the world—though no deadlines were set for this—which should mean that by the end of ten years from the start of the programme they would be granting each other preferential treatment of roughly comparable dimensions. In so far as they were not doing so, because of continuing wide differences between the *external* tariffs of individual countries,[5] a system of special preferences would be established designed to provide a fair exchange of advantages.

It is pretty plain that with the change in one lot of tariffs (the internal Latin American ones) subjected to a tight and precise timetable, and the other lot of tariffs (the external ones) left on a much looser rein, the end product would, in practice, be likely to be a carefully balanced bargain on a series of preferences—something like a 'Latin American Ottawa Agreement'. How multilateral would the bargain be? Here again the four economists showed a willingness, not previously in evidence among Latin American integrationists, to settle for something much less than the full multilateral treatment. The point was put in such a way that its full significance could easily be missed. The economists, in urging an acceleration in tariff cuts, argued that it would be wrong to allow the pace to be set by the slowest moving member of the group. Therefore special preferential arrangements for lowering tariffs among a limited sub-group

[4] Felipe Herrera, President of the Inter-American Development Bank, says in his contribution to *Obstacles to Change in Latin America* (Claudio Veliz, ed., O.U.P. for R.I.I.A., 1965), p. 244, that the Bank already evaluates the investment proposals that come to it in terms of an 'integration factor' and consciously tries to use its resources to foster projects involving joint multi-national planning. See also Sr Herrera's article 'The Inter-American Bank: catalyst for Latin American development', in *The World Today*, November 1964.

[5] To take an extreme example, in 1960 Peru had an average tariff of 35 per cent on durable consumer goods against Argentina's of 612 per cent (ECLA estimate, see *Neue Zürcher Zeitung*, 9 March 1965); even if both had reduced their maximum tariffs on intra-trade to 20 per cent, the degree of Latin American preference, i.e. the difference between internal and external tariffs, would still have been vastly different in the two countries.

of LAFTA should be encouraged. The model for this type of exercise, it was pointed out, was the Central American Common Market, whose five members[6] have succeeded in moving ahead faster towards an integrated system than the nine States belonging to LAFTA.

Departure from most-favoured-nation principle

It all sounds obvious and innocent enough. But, in fact, what it means is that two or three nations would be in a position to arrange a series of trade bargains, based on a mutual reduction of tariffs, which discriminated against the exports of other LAFTA members. This new permissiveness must be seen in the context of other arrangements recently introduced into LAFTA giving individual countries more freedom to make limited and exclusive deals with one another. At the conference of the Organization in Bogotá at the end of 1964 it was decided that in future two or more member nations which entered into a 'complementarity agreement'—that is, an agreement to share out complementary elements in a joint production programme for some branch of industry and to remove tariff barriers on the products affected by the arrangement—would not be compelled to grant the resulting tariff concessions to all the other members of LAFTA. Before this there was an automatic 'most-favoured-nation clause' which required that the benefits of any such agreement should be extended to the whole group. The result was, as might have been expected, that very few 'complementarity agreements' were in fact made. (Only two, on computers and electronic valves, had been concluded by the end of 1964.) It was asking a great deal of a government which had negotiated a carefully balanced trade bargain, removing tariffs and quota restrictions on certain goods imported from another country in return for equivalent concessions for its exports, to extend the same benefits to all other members of LAFTA without getting anything in return.

The new ruling[7] lays down that third parties who have not taken part in the original negotiation can only claim the benefit of the resulting tariff cuts, if they in turn make trade concessions which provide 'adequate compensation'. Since the governments which signed the original 'complementarity agreement' can always claim that what is offered by a third party is not 'adequate', they can, if they are so minded, insist on an exclusive bilateral arrangement. The ultimate sanction is a formal rejection of any proposed agreement by the Permanent Executive Committee of LAFTA; but it remains to be seen how ready the Committee will be to

[6] Costa Rica, Guatemala, Honduras, Nicaragua, Salvador. See 'Central America: the road from poverty and disunity' by Hugh O'Shaughnessy, in *The World Today*, July 1964.

[7] Resolution 99 (IV) at Bogotá. See Report of Economic Commission for Latin America, United Nations, E/CN.12/728, 1965 'Contribucion a la politica de integracion economica de America Latina', p. 130 (Mimeo.).

use its reserve power, if the only result achieved is that two or three nations contemplating a joint production pact return to their separate paths of autarkic development.

Approach to joint planning

ECLA in its latest report on integration is frank about the essential dilemma which the process now faces. On the one hand, the departure from the principle of most-favoured-nation treatment in LAFTA creates the risk of 'excessive fragmentation, perhaps irreversible', within the region. On the other hand, it says, there is no doubt that the formation of sub-regional groups 'is necessary . . . among countries with wide disparities both in their actual level of, and their capacity for, development'.[8]

This question of 'disparities in development' is worth considering more closely, because it is one of the keys to the politics of economic integration, whether in Western Europe or in Latin America. Here the Latin Americans would surely stand a better chance of understanding the nature of their own problem if they bothered to pay closer attention to the various stages in the process of coming together in the European Economic Community, and the type of difficulty which each stage has encountered—and continues to encounter. Arguments about differences in the objective economic circumstances of individual member countries, which were alleged to require special arrangements to mitigate the rigours of unrestricted free trade envisaged by the Treaty of Rome, played a large part in the early stages of the evolution of the Community. It is indeed to be expected that, in a daring experiment of this kind, each nation will be intensely aware of what it conceives to be its economic weaknesses *vis-à-vis* its neighbours and will try to introduce special safeguards to protect itself. If the real differences among a group of nations are very great, the likelihood is that the special safeguards will tend to swamp the central objective of integration. Indeed, it is arguable that the celebrated report on the economic state of the European Community in its first year, 1958,[9] which demonstrated that differences in the structure and strength of the economies of the six member countries were far less than had been generally supposed, was an important factor in creating the willingness to take risks during the first nervous phase of tariff cutting in Europe. It is inconceivable that a report with a similar conclusion could be honestly written about the Latin American Free Trade Area.

This factor points to the essential clue to the relative success of the Central American Common Market experiment, which has so impressed

[8] *ibid.*, p. 131.

[9] *Rapport sur la situation économique dans les pays de la Communauté* (EEC, 1958). The report was the work of an international committee of economists under the chairmanship of Pierre Uri.

President Frei[10] and the other exponents of Latin American integration on a continental scale. Although there are plainly important differences within Central America, the fact is that the gap in the economic endowment of the member States is not *felt* to be impossibly large. At any rate, it is reasonable to expect that a deliberate collective effort should go a long way towards bridging it. The members of the Central American Common Market do not, for a start, differ very much in size. Moreover, all five are at such a low level of economic development that the differences in economic performance are much less significant than they are in the rest of the continent. One result has been that they have been able to move much more rapidly towards the establishment of a common external tariff. This is still a far-off objective for LAFTA.

The general argument about variations in the level of economic development and their relevance to the process of economic integration may be put as follows. The greater these variations are between individual countries, the larger the scope that has to be allowed for exceptions from a standard and automatic set of rules, and therefore the more powerful must be the executive agency which supervises the process of integration. The last point is crucial. It is plain that the more precise and comprehensive and automatic are the obligations laid down in a treaty of integration, the less initiative is required of any supranational body at the centre which is charged to interpret the common interest of the whole group. It is indeed worth observing that the European Common Market made a highly *political* choice when it decided the order in which it tackled the main issues of integration. Tariff reduction on manufactured goods came first, and only after six years of progress in this field (in 1964) did the EEC seriously tackle the problem of free trade in agricultural produce. The field of manufactures was the right place in which to begin, because over a wide range of these goods the differences in the industrial levels of the member countries were not so great as to make tariff cuts across the board a source of economic disruption. Each country was able to notch up some advantages to offset the loss of protection caused by the removal of tariff barriers. It was still necessary for the European Commission to intervene on occasion; but the main source of momentum was supplied by the series of automatic tariff cuts laid down in the Treaty of Rome.

Agriculture was quite a different matter. Here it was not a case of removing existing impediments to free trade, and then making certain adjustments to economic policies and institutions so that the new freedom did not become too disruptive. The Common Market in agriculture required from the beginning an act of joint planning by the Six in the management of the supplies coming on to the market. This meant the establishment of a new and active power, whose efficient functioning re-

[10] He referred to it specifically in his letter to the four economists as a possible model for the rest of Latin America to follow.

quired the surrender to it of some instruments of authority wielded by the national governments. It is a great deal easier for nations to agree to stop certain practices, like putting tariffs or quota restrictions on each others' goods, than for them to arrange for the transfer of the authority to conduct certain practices from a national to an international body. The latter implies that there is a recognized collective purpose in the day-to-day management of their domestic affairs by the governments concerned. It is in fact embarking on an act of joint government. Merely abolishing tariffs is something quite different. It may lead to some acts of joint government (in order to afford a measure of protection against the risk of excessive damage caused by free trade) but its first purpose is to reduce the range of government intervention in a given sphere of economic activity.

The paradox of Latin American integration is that the scheme, as originally conceived, required a high degree of active intervention by a central body standing above the particular interests of the member States, while the agency actually set up at the centre was a body entirely lacking in power and authority. LAFTA went into action right from the start under the banner of joint economic planning. Development, it proclaimed, had to be planned in common, in order to make the reduction of trade barriers feasible. LAFTA did not even give itself a preliminary period in which to limber up for collective action, as the European Common Market did, by working together in simple and straightforward ways which did not require any major initiative from the centre. Even if LAFTA had been endowed with an institution as powerful as the European Commission to manage the process of integration, it is extremely doubtful whether it could have carried out straight away the ambitious task of development planning on a continental scale, which is regarded in Latin America as a precondition for free trade within the region.

However it would be wrong—and dangerously misleading—to think of this failure to establish a strong executive power at the centre of LAFTA as an unfortunate oversight for which a remedy must rapidly be found. This line, which is taken by President Frei, by the four economists, and by ECLA, is altogether too facile. The weakness of the central authority in the Latin American Free Trade Area is not accidental; it is of the essence. Only national governments which wield sufficient authority in their own territory to ignore on occasion the narrow short-term arguments of interest groups, for the sake of some larger long-term objective, are going to be in a position to endow a joint Latin American body with the authority that it needs. The typical Latin American civilian government is especially weak in just this sense.[11] The solution to LAFTA's

[11] See S. E. Finer, 'The Argentine Trouble', *Encounter*, September 1965, which analyses the causes of what the author calls 'the low political culture' that is responsible for the weakness of non-military regimes.

troubles is not therefore to be sought in trying to reach agreement among the various governments on some greatly reinforced continental authority, capable of dominating the politics of the region. Domestic politics have to be mastered (domestically) first.

Development of Intra-Latin American trade

The truth is that LAFTA, either in its present or in any politically conceivable form in the immediate future, is not a serious instrument of Latin American integration. It is, on the other hand, potentially a very useful instrument for the development of Latin American trade. Indeed, its accomplishments in this field to date are by no means negligible. In spite of the grumbles about its disappointing performance, the trade among Latin American countries during the three years after LAFTA went into action in 1961 has increased by some four-fifths in value.[11] It has been a fairly continuous rise, and there is no doubt that the reduction of tariffs, as well as the active search for new trade opportunities stimulated by LAFTA, have played a significant part in it. Admittedly the *proportion* of their trade which the Latin Americans conduct among themselves is still only some 10 per cent of the total. But back in 1961 it had fallen to as little as 6 per cent. What has been done so far is to bring back intra-Latin American trade to the relative position which it occupied in the commerce of the region in the middle of the 1950s. The practical question is not whether Latin America will now forge a new instrument to integrate its economic life, but whether it is able to adapt the instrument, which it has already created in LAFTA, in such a way as to sustain the momentum that has been pushing up the proportion of Latin American trade which stays within the region.

It is quite possible that the effect of recent moves in LAFTA and of proposals for its reform will be to encourage a lot of *ad hoc* commercial arrangements involving two or three countries at a time, even if this means discrimination against other members of LAFTA—and therefore, in an obvious fashion, a movement *away* from integration. This is of course not what either LAFTA or the four economists consciously want. It may indeed be that when the people on the spot are faced with the practical inference that more trade means less integration, they may shy away from the whole business. But at the moment, while the rhetoric continues to be stubbornly maximalist—with talk of a parliament for the region to impose its decisons on governments and of a Latin American Court of Justice to lay down the law—the practical programme suggests that what is in prospect is a retreat towards more modest commercial objectives.

The encouragement now being given to countries at roughly the same level of development to come together in a series of limited economic

[11] LAFTA figures for 1964 show a rise of 83 per cent above the 1961 total.

agreements will, if it is effective, mean that the gap between the more advanced nations and the backward ones in Latin America will tend to widen. In particular the traditional line-up of the so-called ABC nations—Argentina, Brazil, and Chile—which together still account for 75 per cent of total intra-Latin American trade, will be reinforced. It is possible that certain of the poorest countries will be taken in tow by one or more of the relatively advanced nations—the ABC group assuming responsibility for Paraguay, and Mexico doing the same for the Central American Common Market countries—in a relationship analogous to that of the European Common Market with its associated territories. As for countries like Peru and Colombia, the main effort of regional economic co-operation there during the next few years could usefully be turned to the improvement of overland and sea communications between them and the rest of South America. It was made clear to me in the course of a conversation with President Belaúnde of Peru that, so far as his country was concerned, the chief interest of Latin American integration plans lay in two things: the possibilities that they offered for inter-continental road building and for the creation of new sources of investment finance by bringing together the separate national capital markets of the region. The question of an immediate expansion of trade with the rest of Latin America seemed to be of only marginal interest.

Lesson of the OEEC

Thus the division of LAFTA into separate sub-regional trading blocs would not necessarily cause anyone much hardship. If it resulted over the next decade or so in increasing the proportion of intra-Latin American trade from 10 per cent to, say, 20 per cent of the total, and at the same time opened up new channels of transport and communication within the region, the result would surely be a major achievement. Once again, using the development of European co-operation as a reference point, the proper analogy with the present stage would seem, after all, to be not the Spaak Report—as I suggested at the beginning—but an earlier stage of post-war collaboration. What the Latin Americans have still to experience is something like the OEEC phase of joint endeavour in Western Europe, the phase which lasted roughly from 1948 until the middle 1950s, when the West European nations came together in a series of agreements on trade and finance, which were deliberately designed to enlarge the flow of goods across their frontiers. It seems reasonable to suggest that the Latin Americans have got to come successfully through their own OEEC period before they seriously begin to tackle the problem of creating a common market.

A Chatham House book on the problems of integration in Latin America, A Latin American Common Market? *by Sidney Dell, will be published in February* 1966.

The regulation of international transport
II. Air transport[1]

TERENCE HIGGINS

THE recent annual general meeting of the International Air Transport Association (IATA) in Vienna has again raised the question of whether international airlines are being operated as efficiently as possible. There is no monopolistic organization so widespread as that which determines international air fares and freight rates. This is because governments have been prepared to use the right to land on their territories as a bargaining counter in negotiations which effectively reduce the impact of competition on their own airlines. In almost every other field of economic activity, the post-war tendency has been for governments to oppose monopolistic practices—'natural' monopolies within their own boundaries apart. Even at sea—as Richard Goss showed in the last issue of *The World Today*—the attitude of governments towards shipping conferences has been neutral or, in the case of the United States, increasingly antagonistic. But in the air, governments continue to 'regulate' instead of stimulating competition.

The precise relationship which has grown up between governments, their licensing authorities, the International Air Transport Association and the airlines themselves is extremely complex and it is necessary to establish how it developed and what it is before examining its economic implications and its effect on the various interests concerned.

The post-war development of international air transport regulation dates from the Chicago Convention of 1944. This established the International Civil Aviation Organization (ICAO) which has become the Specialized Agency of the United Nations responsible for technical collaboration.

Article 1 of the Chicago Convention confirms every State's complete and exclusive sovereignty over the airspace of its territory (originally specified in the Paris Convention of 1919) but Article 5 gives overflying rights to aircraft of other States not flying for reward; and forty of the fifty-two States represented at Chicago simultaneously agreed to the International Air Services Transit Agreement, which exchanged the

[1] *Air Transport Policy* by Stephen Wheatcroft (Michael Joseph, London, 1964) provides an excellent introduction to the subject. The sections on international regulation are particularly recommended.

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rights of signatories' scheduled commercial aircraft to overfly or land for non-traffic purposes. The essential right all States reserved was the right to land for commercial purposes. It is this right which has formed the basis for subsequent international bargains.

Attempts to reach a multilateral agreement on economic regulation at Chicago failed largely because of conflict between the United States, advocating an agreement embodying the 'Five Freedoms',[2] and the United Kingdom and Commonwealth countries, advocating detailed regulation. Subsequent agreements have been reached by bilateral negotiations. The agreement between the U.S. and the U.K., reached in Bermuda in 1946, provided a compromise solution, which has become the model for numerous subsequent bilateral agreements, although an attempt by ICAO to secure multilateral agreement on the same basis failed. Essentially, the Bermuda agreement regulated the airlines' carrying capacity and their tariffs. As far as capacity was concerned, the agreement was less restrictive than the U.K. Government wished. The routes operated by the two countries' airlines were to be specified but no capacity limit was fixed in advance. Instead each country's airlines were to have a 'fair and equal' opportunity to carry traffic. A clause providing for complaint if one country's airlines operated 'excess capacity' was included, however, and in practice neither country has been prepared to see competition significantly reduce its market share. Intermediate traffic feeding routes between the two countries was limited by reference to the amount of main route traffic. While the Bermuda agreement has provided a model for subsequent negotiations between major air Powers, some developed and many developing countries have negotiated even more restrictive agreements based on a straight 50–50 division of traffic between the two signatories.

Allocation of national operating rights to airlines

Whether a government negotiates a Bermuda-type agreement, in which the carrying capacity to be provided by its airlines is flexible, or a more rigid agreement, in which its share of the carrying capacity is predetermined, it still has to allocate its operating rights to specific airlines. If it did not do so, the free entry of competitors would tend to result in complaints of 'excess capacity' from the other signatory to the bilateral agreement. In many cases, of course, a government will allocate the rights to its own 'chosen instrument'. When a bilateral agreement is negotiated by a government at the request of one of its airlines, the airline concerned may naturally be given all, or a large part, of the country's share of the traffic.

The method of allocating operating rights varies from country to

[2] Freedom to fly across foreign territory without landing, to land for non-traffic purposes, such as refuelling, to put down traffic originating in the State of the aircraft, to embark traffic going to that State, and to embark traffic going to or coming from a third contracting State.

country.[a] In Britain the procedure is now covered by the Civil Aviation (Licensing) Act of 1960. This formally ended the exclusive rights enjoyed on scheduled services by BOAC and BEA under the Air Corporations Act of 1949. Between 1949 and 1960 private operators were licensed as mere 'associates' of the Corporations and they were excluded from some routes altogether. The 1960 Act set up the Air Transport Licensing Board (ATLB) to consider applications for licences. Unlike its predecessor the Air Transport Advisory Council (ATAC), this covers both scheduled and unscheduled services.

Applications for licences and objections to them are considered by the ATLB at quasi-judicial public hearings. The Board comprises between six and ten members appointed by the Minister and serviced by a staff. In practice the Board has tended to employ a small staff and has confined its investigations to hearings, although it could employ a large staff to carry out independent investigations. This—as we shall see—is in contrast with the American Civil Aeronautics Board, which has its own Bureau of experts.

ATLB's decisions are subject to appeal to the Minister, who appoints a Commissioner to hear them in public. The Minister may or may not agree with his Commissioner when reaching his final decision. The grounds for appeal are not clearly specified in the Act and the procedure tends to involve repetition of the arguments used at the Board's hearing and to be slow.

The Board's overall duty is to exercise its 'functions under this Act in such a manner as to further the development of British civil aviation'. In considering applications for licences it is enjoined to pay particular attention to the financial standing and technical competence of the applicants and the conditions under which their staff operate. In addition, it is asked particularly to consider the existing or potential demand for the service, the adequacy of existing licensees' services and their tariffs, and the extent to which the applicant's proposals would result in 'wasteful duplication' or 'material diversion' of traffic from services in which existing licensees have investment commitments or commercial obligations.

It may be argued that the Act gives the Chairman and members of the Board too little guidance on policy. They have endeavoured to clarify their interpretation of the Act by spelling out the arguments in support of their decisions at length. But the Board's decisions to date have not provided unequivocal answers to a number of important questions, and the present position is complicated by the fact that—in the Cunard Eagle case, for example—the Board's decision was overruled by the Minister. Are his views, when expressed, to be taken as a precedent by the Board?

[a] A detailed study covering procedures in Australia, Britain, Canada, India, and the United States has just been published: *Politics and the Airlines* by David Corbett (London, Allen and Unwin, 1965).

On the whole, the Board—in accordance with the spirit of the 1960 Act —appears to have come down in favour of more competition between the Corporations and private airlines. For example, it did not regard the fact that a new licensee on the North Atlantic routes might affect the return from BOAC's heavy investment as sufficient reason for rejecting an application. Similarly, it was not persuaded that increased competition on European routes should be forbidden on the ground that BEA's commercial 'pooling' agreements with Continental operators would be affected. As the Minister has the power to direct the Board to refuse an application if he is not prepared to negotiate the necessary bilateral agreement, the Board has refused to consider international implications when reaching its own decision on the allocation of capacity between competing British operators. In order to grant licences to any new operators it has necessarily refused to regard the fact that traffic might be 'materially diverted' from existing British licensees as a sufficient reason in itself for rejecting applications. Since a substantial increase in British capacity is likely to result in complaint from the other party to the relevant bilateral agreement, a new licensee is almost bound to take some traffic from existing licensees. The Board appears to have paid more attention to whether a split in the U.K. share will substantially increase costs, and it has confined arguments based on 'material diversion' to existing, not future, traffic.

Wheatcroft argues powerfully that, as matters stand, the present licensing system is unsatisfactory: the Board needs a clear-cut statement of policy from the Minister and appeals should only be allowed if the Board's decisions appear in conflict with his policy directives. His arguments are convincing;[4] we turn to some questions of policy in our final section below.

The Civil Aeronautics Board

Airline regulation in the United States is carried out by the Civil Aeronautics Board (CAB), which was established by the Civil Aeronautics Act of 1938. It comprises five members appointed by the President with the Advice and Consent of the Senate. Appointments are for six years. Not more than three members may come from any one political party and all are precluded from outside employment or any pecuniary interest in civil aeronautics.

The CAB regulates domestic fares, controls the issue of charters to operators, authorizes or forbids mergers, punishes operators for collusion or monopolistic practices, regulates the operations of domestic firms, and specifies standards of service to passengers. Technical matters are controlled by the Federal Aviation Agency (FAA) which was established in 1958.

[4] *op. cit.*, p. 156.

The Act setting up the CAB, like the British legislation, fails to specify policy objectives precisely and the interpretation placed upon the Act by the CAB has varied from time to time. The CAB's decisions on questions of fact are final, though appeal may be made to the courts on points of law. The CAB is responsible for considering applications from U.S. airlines to operate on international routes and applications from foreign airlines to land for commercial purposes in the U.S. On international routes alone its decisions are, however, subject to the approval of the President, who usually takes into account the views expressed by the CAB and also those of the State Department. Oddly enough, the CAB does not have authority to regulate international air fares. It only has the right to require international airlines serving the U.S. to file rate agreements for approval. Direct agreement on fares between the airlines would be subject to the anti-trust laws. By reaching agreement in the IATA traffic conferences and then obtaining the approval of the CAB, they fall beyond the scope of anti-trust legislation, on the ground that the CAB can disapprove rates but not fix what they should be. The need for the employment of this legalistic device in order to circumvent the anti-trust laws is one of the main reasons why the CAB and U.S. airlines support IATA so strongly.

IATA tariff agreements

Let us now examine in more detail the way in which IATA fixes tariffs. As we have already seen, Bermuda-type agreements allow airlines of different nationalities to compete for traffic within limits, and they include provision for regulating tariffs. Airlines are therefore effectively prevented from increasing their market share by competing in price.

The task of regulating tariffs, and many of the other forms of competition resorted to once price competition was eliminated, has been delegated by governments to the International Air Transport Association (IATA). This was founded in 1945 (as the successor to the International Air Traffic Association set up at The Hague in 1919). It is a non-governmental organization drawing its legal existence from a special Act of the Canadian Parliament. Membership is restricted to airlines which hold a certificate for scheduled carriage from a government eligible for membership of ICAO. No qualified airline has been refused admission, and qualified airlines are not obliged to join.

The IATA Executive Committee has in turn established three traffic conferences: No. 1 for the Western hemisphere; No. 2 for Europe, Africa, and the Middle East; and No. 3 for Asia and Australia. These meet simultaneously, usually in September in the same place. Each member of the conference has a single vote and action requires a unanimous decision, abstention counting as an affirmative vote. After adoption, resolutions are circulated to the airlines, who submit them to their govern-

ments for approval, usually late in October or November. Adopted and approved resolutions are binding contracts, which are subject to enforcement by a special IATA office working under government-approved rules. They form the basis of the actual tariffs issued to the public. The validity of rate agreements is limited to one or two years.

The question immediately arises as to whether this institutional framework unreasonably inhibits reductions or increases in rates. Wheatcroft points out that the individual airlines' right of veto and the time-limit on existing agreements together give those in favour of rate reduction a powerful weapon, namely, the ability to create an 'open-market situation' in which there is no agreement on rates. Airlines pressing for an increase in rates clearly cannot employ the same weapon.

Despite the fact that the system gives *some* power to an airline wishing to reduce fares, there is none the less reason to suppose that rate reductions are inhibited. An airline pressing for a reduction must consider the support given to other airlines by their governments and the possibility that an open rate situation may result in direct government intervention in place of IATA control. Furthermore, if a particular IATA airline's costs are lower than those of its competitors it may well prefer to obtain higher profits, at existing rates and a constant share of the market, rather than attempt to force down rates in the face of opposition. As already pointed out, even under Bermuda-type agreements the limits within which the airlines of one nationality are allowed to increase their market share by competition are narrow. They are prevented from driving their inefficient competitors out of business. In practice if efficient airlines succeeded in obtaining a rate reduction which could do this, the result would probably force an increase in government subsidies given to other national airlines, which would continue to operate.

Other forms of competition

Since expansion of each country's airline capacity is limited by bilateral agreements and price competition is eliminated by IATA's regulation of rates, operators have sought other means of competing. Two main methods may be distinguished: first, attempts to get round the restrictions by operating unscheduled party charter flights or by arranging inclusive tours; secondly, attempts to raise load factors on scheduled capacity by non-price competition. IATA has consistently sought to regulate both these methods of competition.

Earlier IATA meetings have been particularly concerned with the definition of 'groups' entitled to charter rates; and stringent measures have been taken against operators tempted to give concessions to groups with little common interest other than a desire to travel at reduced rates. Recent controversy has centred on whether a group may charter less than an entire aircraft. The annual conference which has just ended in Ber-

muda after two weeks' bargaining by over 100 delegates, representing forty airlines, has supported a cut in group affinity fares by 20 per cent westbound and 12 per cent eastbound, the lowest number of travellers to qualify for group fares to be reduced from twenty-five to fifteen for those starting in Europe, the Middle East, and Africa. Although normal fares are to remain unchanged, there appears to be a significant attempt to encourage tourism by discriminating reductions even for parties of less than charter size. It is also proposed to introduce special low fares in conjunction with inclusive tours—which are particularly likely to introduce people to air travel—for the first time on the North Atlantic routes.

Because there is nothing to choose between the fares charged by IATA airlines, passengers tend to be attracted by quality of service, food, and so forth. However, attempts by members to increase their market share by quality competition have become closely regulated. TWA's introduction of in-flight film entertainment is an attempt to offer passengers something different outside existing regulations. Agreement on controlling this had not been reached by the time the recent meeting ended. It has been suggested that passengers might be charged a premium for in-flight entertainment.[8] It is clearly better to regulate this kind of competition by reflecting the costs in the rates than by prohibiting it completely; and, if airlines were also allowed to reduce fares in proportion to cuts in service, passengers would at last be permitted some consumer choice. The agreement eventually reached on in-flight entertainment will be interesting and significant.

How far is regulation justified?

This brings us to the whole question of how far the present system of regulation is justified. A number of interests may be distinguished. Perhaps those most concerned are: each government, representing its electorate (made up mostly of taxpayers, some of whom are airline passengers and some of whom live near airports); the airlines; and the aircraft industry. The arguments in favour of regulation fall into three main groups: those justifying regulation on the ground of safety, those justifying government support for regulation as a means of achieving national objectives, and those based on economic analysis.

Effective safety regulations are obviously essential. The 1960 Civil Aviation (Licensing) Act rightly made those in the U.K. more stringent. But the argument that competition must be regulated to ensure safety standards is—or certainly ought to be—invalid. If it is possible for any aircraft operator attempting to be more competitive to succeed by getting round the safety regulations the answer must be to enforce the regulations effectively, not to reduce competition.

The second, nationalistic, group of arguments in favour of regulation

[8] A nominal charge is at present made for the use of earphones.

includes the contentions that: (i) airlines are part of a country's social capital and should be treated as a public utility, (ii) regulation is the cheapest way of maintaining a reserve transport fleet for military purposes, (iii) regulation is the best way of encouraging national airlines, and through them the aircraft industry and technological development, and (iv) without regulation it would be more expensive to run national airlines and obtain the prestige associated with them.

As far as domestic air services are concerned, there may be some case for treating them as an integral part of an overall transport plan, in conjunction with road and rail policy, though airlines do not meet the 'natural' monopoly requirements of a public utility. Be that as it may, the public utility argument cannot be extended to international routes.

The validity of the reserve military transport fleet argument clearly varies with each country's international commitments; it is more relevant to the United States than to Switzerland. As far as Britain is concerned, two questions arise. First, would the overall size of our airlines fleets be significantly reduced if we took a stronger line in favour of relaxing regulation and encouraging competition? Secondly, even if we believed it would, is it right to deny passengers the advantages of competition in order to maintain our military potential, instead of placing the burden on taxpayers as a whole?

Encouragement of national airlines as a means of encouraging national aircraft industries raises questions far beyond the scope of this article—witness the controversy over BOAC's purchasing policy. It is relevant to ask, however, whether governments should support regulations designed to control passengers' fares in order to secure their wider objectives. One of the great disadvantages of regulation is that it has tended to divorce the derived demand for aircraft from the pattern of final consumer demand. There is surely reason to doubt whether many people would be ready to pay the average total cost per passenger seat mile of supersonic travel, including development costs and the equivalent of the social costs to those living near airports. And is there any evidence—by way of market research—to suggest that the vast majority of passengers would prefer *faster* to *cheaper* travel? The trouble is that once supersonic aircraft are developed it will be difficult—under the present system of regulation—for operators not to introduce them. As we have seen, when price competition is eliminated other forms of competition gain in importance. An increase in price competition, on the other hand, would tend to restore the commercial links between the passenger, the airlines, and the aircraft industry.

Finally, on the question of prestige, it is perhaps difficult to understand why a country should regard it as prestigious to buy aircraft from abroad and then run them less efficiently than another country could. It is probable that the arrangements described earlier protect the small national

lines and reduce the market share which the more advanced countries would obtain under more competitive conditions. Obviously the governments of developing countries must decide whether or not to operate their own airlines but there seems no reason why countries with more efficient airlines should support arrangements which reduce the cost of their doing so at the expense of airline passengers. Concealed subsidies which encourage developing countries to invest in uneconomic activities cannot be regarded as a useful part of any aid programme.

Economic arguments for regulation

Finally, let us consider the economic, as against the political, case for regulation. It is here that I find myself in fundamental disagreement with Wheatcroft. He maintains that conditions on each airline route tend, naturally, to be oligopolistic. That is to say, there is room for only a small number of airlines. Rightly, he points out that oligopoly typically exists if economies of scale are sufficient to give existing firms an advantage which deters new entrants, or if they are able to convince consumers that their product is different and thus isolate themselves from competition. He goes on to maintain that these two conditions are not fulfilled on airlines' routes and that, without regulation, rate wars would continually break out which 'even though they may give the public the temporary advantage of lower fares are also likely to result in a stoppage of service'.

In fact, if an industry *is* naturally oligopolistic, rates, or prices, tend to be stable. Each of the few competitors knows that if he raises his price his competitors will not normally follow suit but will take a larger share of the market. On the other hand, if he cuts his price, his competitors will follow suit: his market share will remain the same at the lower price and all sellers will lose.

Wheatcroft appreciates this point. What he fails to perceive is that he begins his argument by asserting that conditions on each air route naturally tend to be oligopolistic. He then states that the conditions necessary for oligopoly do not exist on air routes and finally deduces that oligopoly on air routes is unlikely to be a stable condition, unless regulation restricts the entry of competitors.

It remains unclear why a rate war should result in 'a total stoppage of service'. Depending on what the economies of scale really are, one would, in fact, expect a few of the most efficient competitors to survive throughout or a number to establish a competitive equilibrium. The real case *against* the present form of regulation—described above—is that it is preventing the growth of efficient, and the elimination of inefficient, firms.

The case for airline conferences—if it can be made at all—is the same as that for shipping conferences put forward by Sturmey and quoted by Richard Goss in last month's *The World Today* and in Wheatcroft's book.

Essentially, this turns not on whether the market is naturally oligopolistic but on the relationship between the capacity of the ship or aircraft and the level of demand for it per unit of time. If ships carry 10,000 tons and cargo comes forward in lots of 10,000 tons there is no problem; a straight bargain will be struck between shipper and shipowner. The same applies if aircraft carry 100 people and group tours are that size. The problem arises if the ship is 10,000 tons and shippers come along with lots of 10 tons. Once the shipowner is committed to sail, it will pay him to accept cargo at any price which does more than cover loading and unloading costs. In these circumstances the voyage as a whole is unlikely to be profitable so that he will not agree to sail in the first place. The formation of a conference among shippers which fixes rates and sailing schedules prevents rates being driven right down and makes services viable. It seems clear that on most air routes the relationship between the capacity of aircraft and the demand for it per unit of time provides rather less justification for airline than for shipping conferences. There appears to be no *economic* argument in favour of government enforcement of either shipping or airline conference decisions, and shipping lines have never asked for it.

Conclusion

If it is accepted that the present institutional framework—reflecting political pressures—is unsatisfactory, for the reasons enumerated above, the question arises: 'What should be done about the situation?' At the moment the government of almost every country has succeeded in blurring the issues so that it is not clear which interests are benefiting from air transport regulation and which interests are meeting the cost. If policies were clearly stated, pressure would be generated to ensure that those who benefited paid for their benefits. Britain could at least set an example here by clarifying her objectives.

More positive action must clearly depend on the extent to which governments are prepared to increase competition. In the first instance, there could be stronger government pressure on airlines to force rate reductions through IATA whenever their own costs make this profitable, and to encourage fare differentials which reflect differences in costs. This would only enable efficient airlines to increase their load factors on the capacity already allocated to them explicitly or implicitly under each bilateral agreement. If competition were increased in this way, it would then be necessary to renegotiate bilateral agreements to ensure that airlines using their capacity to the full were not then prevented from obtaining a larger share of each market.

Bonn and the 'moment of truth'

DIETRICH STROTHMANN

A MOOD of resignation is the best one in which to contemplate the election to the fifth German Bundestag on 19 September. For, to put it bluntly, the electorate in the Federal Republic voted badly: with a mandate of 245, the Christian Democrats (the CDU and its Bavarian wing, the Christian Social Union, CSU) carried the day but they did not win a victory; with 202 seats the Social Democrats (SPD) won a victory but did not carry the day; the Free Democrats (FDP) with 49 seats swung back to their normal position. Since the CDU/CSU thus fell short of an absolute majority, they are still dependent on a coalition with the FDP—on an alliance of 'unequals', with all the consequences which have already cropped up as coalition crises in the day-to-day business of government during the past four years. Since, on the other hand, the SPD did not achieve more than 40 per cent of the vote, they did not make the grade as partners in a 'Great Coalition', for which there was considerable backing in their own ranks as well as in the CDU/CSU.

On 19 September, therefore, the West German voter showed himself in no way a supporter of the slogan: 'it's time for a change.' He decided against experiment and in favour of the catchword 'sure's sure'. He neither gave the CDU/CSU the chance to govern alone and take the sole responsibility for success or lack of success during the next four years, nor did he see to it that the SPD was strong enough to share the responsibility of government and to be in a position to contribute to political success or failure.

Bonn's fifth Government will thus be a weak Government. On that account it can be said that the West German voter has voted badly and failed to make a clear-cut decision. The reckoning is likely to come after only two years—at all events according to forecasts being made by sober observers in the Federal Republic. They say that the new-old 'little coalition' under Chancellor Erhard will scarcely last any longer than that. Crisis is in its very bones. Already the negotiations on the formation of the Government point to the fact that the foundations on which the Bonn Cabinet seeks to establish itself are exceedingly fragile.

One West German paper has commented with regard to the results:

Twenty years after the end of the war the 'Leitmotiv' of the German

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> people is to hang on to what they have achieved rather than to explore the unknown,

and another, full of well-founded suspicion, put the anxious question:

> Are we going to persist in the erroneous belief that our true policy with regard to the German question consists in setting our sights fast on the illusions of yesterday and following the prize-fighting methods of the day before yesterday?

Furthermore, it can already be stated, without exaggeration, that the next election, due in 1969, will throw up still greater problems than those of 1965. For in four years' time a new Federal President must also be nominated; at the same date the NATO Treaty runs out, with all the consequences which de Gaulle is already conjuring up today. In face of such prospects one may well fear that the issues in this year's election will seem a very simple affair in comparison with those of the next.

Meanwhile, there were plenty of pitfalls this time: for Ludwig Erhard, who was faced with the choice of sacrificing his Foreign Minister, Gerhard Schroeder, and with him the concept of an active policy towards the East as well as of Atlantic partnership orientated towards Washington; for Erich Mende, the head of the FDP, who had to deposit the all-German policy of 'small' and 'medium steps' ('kleine' and 'mittlere Schritte'), which he had already inaugurated as Minister for All-German Affairs, as the purchase-price for entry into the new Government.

Thus although, after the election results, a coalition government of the CDU/CSU and FDP was a foregone conclusion (a coalition of the Free Democrats with the SPD must have been out of the question from the first)—the drawing-up of the Government's programme on foreign and domestic policy has created plenty of trouble for the new Chancellor Erhard and his coalition colleague Mende. For behind the scenes during the delicate negotiations of the steering committees of the two parties 'condemned' to form a coalition there yawned once again the almost unbridgeable gulf between the 'Atlanticists' and the 'Gaullists': on the one hand, Schroeder, the CDU Foreign Minister, and Mende, the FDP Minister for All-German Affairs, only half-heartedly backed by Erhard; on the other, the Bavarian CSU leader, Strauss, former Chancellor Adenauer, and the CDU President of the Bundestag, Geistenmaier. Already these internal quarrels about the new Government's programme have confirmed the opinion arrived at by *The Times* shortly after the election:

> The Christian Democrats are deeply divided and are beginning to lose the ability to meet new situations with new ideas.

The London paper hit the nail on the head with this pessimistic but apposite remark. For, in view of the tug of war over Ministerial appointments consequent on the struggle over foreign policy and the policy to be adopted on the German question, there has grown up in the Federal

Republic, since 19 September, the fear that Ludwig Erhard, though he was the victor at the polls, might well end up as the loser of the election. And since so many in his own party have gone out of their way to question his political judgment in drawing up his government's programme, he has been exhorted, as so often before, to be tough (and particularly now that he can regard himself, after this election—the first Erhard-plebiscite—as 'Chancellor in his own right').

It has long been a favourite rhetorical game among politicians and journalists in Bonn to throw out a question in order to answer it, often according to one's own discretion. The question is as follows: What will happen to us? In the present situation, after the fifth Federal election and given the political possibilities of the new Federal Government, it might well be put simply in the following way: What will happen to Bonn and the Federal Republic in the next few years?

There are, on the one hand, questions of domestic policy to be dealt with, about which quarrels between the coalition partners are likely to intensify enormously. They concern the technicalities of balancing the budget for 1966 and of financial reform in the Federal Republic, the Länder, and the districts. The necessity of doing more in the spheres of education, transport, and health is not disputed. It is still not clear, however, what is meant by Erhard's fine-sounding plan for a 'Deutsches Gemeinschaftswerk'—common action—and his catchphrase of a 'formierte Gesellschaft', a 'shaped society'. We are all still just as dependent as ever on any clues there may be. At the end of this catalogue of domestic issues is a problem about which there was certainly a lot of trouble between the CDU and the FDP under the last Government, namely, social policy, and one can safely conjecture that there will be still more coalition quarrels over this in the next few years.

But there is no comparison between these issues and the problems of foreign policy and policy on the German question which face the new Government. These are the real Rubicon to be crossed. In foreign policy, the most noteworthy are the long-standing problems which fall under the headings of France, NATO, the EEC, and Eastern Europe; and on the German question, there are the 'small' and 'medium steps', 'breaches of the wall', and the relaxation of the *status quo*. On these issues there is indeed a great deal at stake, and the division between 'Atlanticists' and 'Gaullists' inside the CDU/CSU and between the 'hard-liners' and the 'soft-liners' in the ranks of the coalition seems almost insurmountable.

In the last issue of *Foreign Affairs*, under the title 'Germany looks at East Europe', Foreign Minister Schroeder advocated the establishment of diplomatic relations with the countries of Eastern Europe in which Bonn has already set up trade missions. CSU leader Strauss opposed this most decisively:

There is no point in setting up full diplomatic relations with the

> Communist Governments of Central and South Eastern Europe, so long as these countries adhere unchanged to Moscow's views on the German question.

And the CSU foreign affairs spokesman, Baron zu Guttenberg, supported his colleague:

> The Federal Government should leave it in no doubt that our true allies in Eastern Europe are the down-trodden peoples and not their oppressors.

Schroeder and the FDP Chairman Mende pronounced themselves in favour of giving up the Hallstein doctrine *vis-à-vis* those States which 'through their membership of the Soviet Empire have never had the opportunity to vote for or against recognition of the Zone'; but from the CSU corner came the cry 'Never under any circumstances'.

Erhard and Schroeder welcomed the American scheme to stop the spread of nuclear weapons to other countries, but former Chancellor Adenauer countered this with his usual sharpness: 'These American plans are so appalling, looked at in the long term, that Europe would thereby be surrendered to the Russians. . . If this treaty came into being NATO would be finished. England would then be in this nuclear club, even though she has many debts which will have to be paid for with our money.'

While the 'Atlanticists' in Bonn speak of a military (even a nuclear) partnership with the United States, the 'Gaullists' among the Christian Democrats conjure up the nightmare of U.S. hegemony in Western Europe, and Strauss demands 'a European nuclear striking force', either with French nuclear weapons or a combined French–English nuclear striking force.

If FDP politicians speculate about proposals for a peace treaty, Strauss contradicts them by saying that such a treaty would be 'the second definitive defeat of the second World War'. To Mende's proposal to set up all-German committees, with equal representation from both sides, for the solution of technical problems (transport, culture, and sport) Strauss reacted just as violently: 'We are selling something which we shall need desperately later on.' And the agreement on Berlin passes was described by CSU Deputy Guttenberg as 'Confederation in the guise of humanity'.

Thus no coherent political front, no clear-cut line of policy is yet to be found within the ranks of the governing parties. The Christian Democrats are as much divided among themselves as the CDU and the FDP are divided from each other. A labyrinth of opinion and counter-opinion is revealed within the Government camp. A Gordian knot has been tied, even before the Cabinet has taken office, by those who ought to pull together for the next four years. The signs in Bonn have never been so bad for a new Government. What storms will it have to weather? What winds

will it not be able to withstand? Will immobility again be its hallmark

In particular, as one makes one's way through this jungle of con-tradictions, an active policy on the part of Bonn towards Eastern Europe and the D.D.R., such as is advocated and pursued by de Gaulle, still looks very remote. How then can the Bonn regime change the *status quo* in Europe—this normality of the abnormal—in its own favour, given that it allows of any 'softening-up'? Time and again the 'Maginot' mentality prevails among many politicians in the ruling parties—a form of reason-ing in the terminology of the cold war and of the 'roll-back' ideology of a Dulles: first reunification, then *détente*, first reunification of Germany then reunification of Europe. The policy of Foreign Minister Schroeder who is determined to put Kennedy's concept of 'Annäherung durch Wandel'—'*rapprochement* through evolution'—into practice, comes up against rejection or only half-hearted support from his own party. His reasoning is as follows:

> We would not be doing justice to the functions of foreign policy if we paid no attention to the existence of the Zone and the signs of life coming from it. Our foreign policy must have regard to the develop-ments in the Zone during the more than twenty years that it has been separated from us. In particular, we must evaluate realistically its international opportunities, which it seizes with Moscow's help and protection... The danger of the two sections of the population growing apart must be prevented in every conceivable way.

Such a realistic conception, bearing the stamp of objective Anglo-Saxon pragmatism, is in clear contradiction to the thesis of the CDU Chairman for Berlin, Amrehn, who is of the opinion that the 'wound' (by which he means the division of Germany) must be kept 'open'.

The danger can be put as follows: that the German question, if it is again shelved, will be finally dead after another four years and the Federal Republic, as the opponent of an East–West *détente*, completely isolated. The provisional status of the Federal Republic would then be confirmed once and for all, or at any rate for a long time. Already a year ago Kurt Leopold, who was head of the Bonn Office for Interzonal Trade from 1953 to 1964, gave the following warning:

> We in West Germany have let ourselves be deceived in our view of the situation in the other Germany by the ruling regime... We have our-selves done quite a bit to bring about something like a D.D.R. con-sciousness and to enable it to develop.

Every opportunity must therefore be taken advantage of to sweep away the suspicion in Eastern Europe *vis-à-vis* the Federal Republic which is decried there as 'revanchist' (and to this must be added the solution of the tiresome frontier problem); and also to contribute, on humane grounds, to the alleviation of conditions in the D.D.R. (by means of credits and contacts at the 'lower level', acting as the agents of the

Allied protecting Powers). And it must also be absolutely unambiguous that Bonn rejects all tendencies to disintegration within NATO and every hindrance to the economic and political unification of Europe. After all, even the 'Gaullists' in the Federal Republic find it hard to follow blindly the nationalistic aims of the French President (just as, on the other hand, they cannot approve his East European policy; and there they are in an awkward dilemma). De Gaulle's refusal to take part for the present in the ministerial meetings of the EEC in Brussels, his insurmountable antipathy to the EEC Commission of 'technocrats', his delaying tactics with regard to the introduction of majority decisions in 1966 as laid down in the Treaty of Rome—this all demands a clear-cut response from the Bonn Government. Should it be correct to say that the Federal Republic—faced with the choice of deciding between Washington and Paris—came down long ago on the side of the stronger, the Americans, it still has the opportunity, on the basis of the Franco-German Treaty of Friendship, of bringing influence to bear in Paris on the General's perverse policy and of working out reasonable compromises with him. It cannot be denied that this has not sufficiently been the case in the last few years, although it is foolish to lay the blame for the cooling of Franco-German relations solely on the German Foreign Minister. Precisely in his East European policy Schroeder has followed the principles of an 'applied Gaullism' (aimed at the reunification of Europe and thereby one day the reunification of Germany).

Meanwhile, de Gaulle's efforts to bring about *faits accomplis* in the military sphere in Western Europe—to scare the Americans, as the protective Power, away from the Continent, gradually to undermine the principle of integration, and to place excessive restrictions on Washington's nuclear defence of Europe—such designs must be opposed by Bonn in its own interest. The *force de frappe* is certainly no substitute for America's engagement in Europe and the alleged American hegemony would be a blissful state of complete security in comparison with any probable French supremacy.

This one fact at least is crystal clear to the parties in Bonn who are called upon to form a new Federal Government: in the next four years a lot will happen, more, it seems, than ever before since 1949. Will they be able then to risk 'setting their sights on the illusions of yesterday and following the prize-fighting methods of the day before yesterday'? The 'hour of truth' has struck for them—in view of the world-wide policy of *détente* being pursued step by step by the super-Powers, the U.S.A. and the U.S.S.R., and of the corresponding policy of disintegration in the West, which is being followed at the same time by de Gaulle. The moment may now have come, which Foreign Minister Schroeder proclaimed in a speech to the Bundestag in January 1964: 'The storm will soon sweep with might and main through the German house.' Only the

other day the loser of the election, Willy Brandt, warned the new Federal Government not to let slip a 'historic hour' in the German question. Nothing indicates that either prediction was a mere oracular pronouncement. In former days when he was still Chancellor, Konrad Adenauer loved to shock friend and foe alike with the words: 'The situation was never more serious.' This time he could really be right.

Roads to independence: the case of Swaziland

MICHAEL LASCHINGER

THE Rhodesian crisis leads one to examine the implications of independence for Britain's remaining colonial responsibilities in Southern Africa. A current theory about South Africa's attitude to Basutoland, Bechuanaland, and Swaziland is that the Republic wishes to coexist amicably with them when they achieve independence in order to show that it is sincere about 'national self-determination' for the Bantustans and is not opposed to 'true' African interests. Such coexistence has been made more feasible by the recent election victories in all three territories of conservative parties having a pragmatic appreciation of their countries' economic vulnerability. To the South African electorate the territories will be represented as 'black States' that have 'passed through a phase which corresponds with *apartheid*'. The Republic also has an interest in keeping as many of its activities as possible outside the international arena. The theory may overrate the Republic's sensitivity but, if it is correct, overt pressures will not be applied to the territories unless any of them becomes a 'Trojan horse'. To make them conform more to 'separate-development' would require subtle manipulation of their internal politics. Indeed, the allegations in 1963–4 that Swaziland's 'traditionalists' were being suborned to turn their country into a voluntary Bantustan created an awareness of the possibility which has probably made its achievement more difficult. But when Britain leaves the territories—within three years according to the 1965 Commonwealth Conference communiqué—there will be more room for the Republic to manœuvre. How much will depend on the internal political situation in each territory.

The magnitude of the conservative victories may be correlated

Mr Laschinger has just completed research on recent British colonial policy for Africa and revisited Swaziland earlier this year.

roughly with the factors of illiteracy and subsistence farming—smallest in Basutoland, largest in Swaziland. These are declining factors, however, and everyone, including Imbokodo, the victorious 'traditionalist' movement set up to fight the elections by the Ngwenyama (King) of Swaziland, wishes to hasten their decline. Paradoxically, of the three Swaziland has the most diversified, developed, and developing economy. It exports significant quantities of asbestos, iron ore, sugar, wood pulp and timber, livestock (there is a new *abattoir*), cotton (now to be ginned), and rice; and its economy is partly redirecting itself through the new railway to Lourenço Marques. The Mbabane Government calculates that it will be financially viable before 1970; but at present it is grant-aided in its ordinary budget, and, as Theodore Bull has pointed out,[1] development is largely dependent on white, particularly South African, skills and resources.

Partly because of the substantial white minority (3 per cent of the population of 300,000, owning 45 per cent of the land) it is the least advanced politically. Under the Constitution of December 1963, it has a Legislative Council (Legco) comprising six different categories of member, and an Executive Council composed of both officials and elected Legco members.[2] This was roughly the status of Basutoland in 1960 and Bechuanaland in 1961; if their precedents are followed, Swaziland will need at least one more election before independence, on the basis of adult suffrage, single-member constituencies, and as few special seats as possible. A Constitutional Committee, composed of Legco members, has recently been set up to plan the next phase.

Imbokodo, in a joint campaign with the white United Swaziland Association, won every elective seat in Legco in the election of June 1964, taking 85 per cent of the National Roll vote. They campaigned for 'an essentially indigenous constitution', which was formulated in the petition presented to Parliament in November 1963 by the Ngwenyama. This formula was itself a modification (to accommodate the Colonial Office's objections) of the original '50–50' scheme put forward jointly by the Ngwenyama and the whites in 1962. The latter scheme was designed 'to extricate Africa from this idea of one man, one vote'[3] and to prevent the rise of a militant left-wing African nationalist party. It envisaged equal representation for whites and Swazi in Legco, each side electing by their 'traditional method'—uni-racial secret ballot in one case, acclamation at tribal meeting in the other. The Parliamentary petition proposed a scheme of contracting-out from either side on to a common

[1] See 'The problem Protectorates', in *The World Today*, November 1963.

[2] Legco: 4 officials; 8 members certified by Ngwenyama as elected by Swazi traditional methods; 12 National Roll seats, 4 being reserved for Europeans; 4 European Roll seats; 1 nominated non-official. Executive Council: 4 officials; 6 (4 until last August) Legco elected members.

[3] Speech by Ngwenyama, 23 May 1960: see *Times of Swaziland*, 1 July 1960.

roll. Most whites probably hope that the Constitutional Committee will resurrect the petition scheme; but since its victory at the elections, there now seems no compelling reason why Imbokodo should challenge again the Colonial Office precedents—especially as the Swazi National Council (SNC), from which Imbokodo developed, has decided that its own elections should in the future be by secret ballot.

Officials in the Secretariat are happy with the way the Legco members have been settling down to learn the business of government, soberly and in a thoroughly non-racial manner. Members speak in the Chamber as representatives, not as caucus delegates, and the Ngwenyama's name is no longer bandied about in politics. Imbokodo has officially denied the allegations of the pre-election period that it was 'selling Swaziland to South Africa', and there has been no evidence of its having pro-*apartheid* connections after the election comparable to that relating to the earlier period. The widely predicted clash, between Imbokodo demanding immediate independence and Britain refusing to 'hand the Swazis over to *apartheid*', has not materialized. Instead, the leader of Imbokodo, Prince Makhosini Dlamini, and its General Secretary, Dr Msibi, went on an Afro-Asian tour last March, covering Ethiopia, Ghana, Kenya, and Nigeria, and managed to raise over one hundred scholarships. In Ghana they were received by Dr Nkrumah, who 'expressed great admiration for the manner in which King Sobhuza II had handled the difficult situation precipitated by the imposed constitution' and for 'the consistent fight he had monitored against the incorporation of Swaziland into the then Union of South Africa'. He regretted that Ghana–Swaziland relations had not been of the best, hoped they would improve, and invited his visitors to the October conference of the Organization of African Unity.[4] Upon his return to Swaziland, Prince Makhosini demanded 'independence *now*' in familiar nationalist terms and later issued a call for national reconciliation. Within a fortnight of the demand, one of Imbokodo's former opponents, the Swaziland Democratic Party, had joined it.

The 1964 election

The chief opponent of Imbokodo, the left-wing Ngwane National Liberatory Congress (NNLC), suffered a number of severe setbacks this year and finally a schism; it is not represented on the new Constitutional Committee. In the election the NNLC probably polled the majority of votes in the urban, mining, and plantation areas where it had organized strikes in 1963–4, but these votes amounted to only 12 per cent of the total. The strikes won support for the Congress by involving individuals and groups, especially wage-earners, but their impact was on a narrow front. Under the National Roll electoral system of four large three-

[4] Imbokodo press release: *Times of Swaziland*, 9 April 1965.

member constituencies, the developed areas were swallowed up in the predominantly illiterate subsistence-farming countryside. If the Lubombo constituency, for instance, had consisted of three single-member divisions, the NNLC, which gained 21 per cent of the vote there, would probably have carried one division. Size also placed a premium on organization. The NNLC's organization was poor, it was short of money, and donations from the OAU came very late. Imbokodo, on the other hand, had money and assistance from substantial white sources, and used organization and ceremonial proper to the SNC, the statutorily recognized traditional authority, for electoral purposes—practices which were admitted by Imbokodo witnesses in a court case started by the NNLC in July 1964 to challenge the election results.

The electoral law made no direct attempt to control such practices; in this and other respects its operation has provided an object lesson in how not to inspire confidence in the institutions of a colonial Power. The NNLC made allegations of undue influence by Imbokodo supporters, including threats of banishment and deprivation of land, and use on election literature of the SNC lion symbol ('Ngwenyama' means 'lion'). After polling day a retrospective amendment to the law was made, which was used in the judgment dismissing the NNLC's case to exempt the use of the lion symbol from the penal provisions of the law. The judgment can be criticized on at least one point, but the law allows no appeal. This is unfortunate, as in such politically sensitive cases both winner and loser should be made to feel that the full resources of the judicial system have been available.

Shortly after the dismissal of the case, the NNLC Secretary-General, who was its most dynamic leader, fled, apparently to Tanzania, despair of constitutional action probably being among his motives for leaving the territory. While its President was temporarily out of action, a split occurred, apparently over whether the NNLC's policy should favour a constitutional monarchy or an executive presidency, and the acting President was 'expelled' (he has subsequently made overtures to Imbokodo). If the NNLC's decline is irreversible it will raise the question of whether some of the forces that it represents will not become submerged, to surface from time to time in erratic and disruptive forms of protest, like the 'strikes' which recently led to two educational institutions being closed.

Conservative nationalism

The traditions of the Swazi nation have in the past enabled it to incorporate many tribes, and to accommodate their distinctive features. These accommodating traditions failed, however, in relation to the Swazi groups who joined the NNLC, other radical parties, and the trade unions. Such groups not only challenged colonial rule and white in-

fluence, but denounced Swazi 'traditionalists' as a tribal oligarchy. They found that they could not express their interests and grievances through the traditional decision-making processes, which are highly consultative but allot to each person a proper station and demand of all Swazi collective responsibility for supporting the decisions made. Hence their attempts at independent expression, through modern organizations, were represented as factional and anti-national.

The overwhelming effectiveness of Imbokodo's electoral methods is based primarily on the role played by the Swazi traditional political structure in a sub-continent where social change takes place in terms of the demands of the ruling white minority. The 'communal' land-tenure system is part of this structure, and functions as a much-needed form of social security. There has been enough land for most Swazi to subordinate wage-earning to the preservation of a traditionalistic pattern of homestead life as a refuge from such social change. The Ngwenyama therefore always opposed incorporation into the Union; and although until fairly recently *apartheid* was the norm in Swaziland's race relations, everyone, whites included, always accorded great respect to him. From this the Swazi derived some sense of political dignity, saying: 'Without a King we would no longer be a people.'

The traditional structure was able to play this role because, unlike its Rhodesian parallels, it escaped outright conquest and subordination to a local white electorate; but the 'protection' it received instead went beyond what the Swazi asked for in 1901. Swazi independence, several times guaranteed by treaty, was lost in 1894, when, without their consent, Britain allowed Kruger's Republic to establish a protectorate, with limited powers but under which the Ngwenyama was devalued to 'Paramount Chief'. In 1903 the British Crown established its protectorate, assuming unlimited powers in terms of the Foreign Jurisdiction Act, 1890. These powers were used to grant over half the land in freehold (an alien system) to nineteenth-century white concessionaires, and to vest reversionary rights over minerals in the British Crown.

These historical grievances, together with the political aspects of Swazi tradition, constituted the ideological element in what Imbokodo's General Secretary calls 'organic nationalism'. They enabled this conservative nationalism, in 1963–4, to appropriate the anti-colonial role. When Britain, wishing to create opportunities for emerging political forces, rejected the '50–50' Legco scheme at the constitutional conference held in London in January 1963, and then went on to reject the SNC's proposals on the historical grievances, which it regarded as even more important, the distrust of decades was revived. Then in May–June 1963 the Havelock Mine and Mbabane general strikes began, and British troops were flown in and, in effect, broke them. The strikes demonstrated how the opponents of the 'traditionalists' could obtain

support by militant mass action, and also the limitations of such action in the face of British power. Moreover, both white authorities and Swazi workers had, in their respective difficulties, appealed to the Ngwenyama for help. The SNC felt that its suspicions were confirmed that, at best, the British did not grasp the consequences of their policies, at worst were planning to hand Swaziland over to modern demagogy.

The SNC had lost confidence in the British and was determined to fight; but it did not have sufficient confidence to do so alone, nor yet a strategy. Advice and offers of assistance came in from various white sources, both inside and outside Swaziland. The most notorious was a document (abstracted from the SNC files by a secret opponent) purporting to be legal advice from a South African pro-*apartheid* lawyer. It warned against 'the extermination of . . . the Swazi Nation as an organic entity', and advocated further representations, the formation of a mass traditionalist party, and a demand for immediate independence after an election victory. In September 1963 Dr Verwoerd made his 'offer' to lead the Territories to independence, and challenged Britain to let them decide for themselves.

After presenting his Parliamentary petition, which asked for 'self-determination', the Ngwenyama, despite the negative and cautious attitude of some of his closest Councillors, in January 1964 held a referendum—a device traditional to whites in Southern Africa, which had been advocated publicly for some time by Carl Todd, the whites' leader. The question put in the referendum was the petition versus the new Constitution imposed by the Colonial Office in December 1963. The latter was represented as degrading the Ngwenyama, making Her Majesty's Commissioner a virtual dictator, withholding from the Nation its mineral rights, and putting its land-tenure system and traditional law and custom in jeopardy. At its crudest, the choice was: 'Do you want Ngwenyama (the familiar lion on one ballot paper) or Mponompondo (the alien reindeer, popularly identified with the Commissioner) as King?' The referendum channelled the existing loyalty to the Ngwenyama, and identified him clearly with the emerging 'traditionalist' campaign. It was opposed by the British administration; the NNLC and other parties tried to boycott it. They had earlier been accused of trying to sell Swaziland to other African States, and this boycott was represented as anti-national, the NNLC being asked why it was supporting the British against the Ngwenyama. Registration for the Legco electoral rolls was also skilfully used, being enjoined by solemn command of the Ngwenyama, and coupled with a campaign against the exclusion from the franchise of women who were not senior wives of taxpayers. Finally Imbokodo was launched, and its Legco candidates adopted, all by solemn traditional procedure. In this process 'traditionalism' proved extremely malleable, ultimately demanding adult suffrage.

'White Swazis'?

The 'Europeans' have also come far from their position in 1960, when they protested against a Swazi doctor being allocated a house in a 'white' area. Later that year, wishing even more than the SNC to forestall the emergence of militant African nationalism, they joined SNC representatives on a Constitutional Committee. At that stage they probably wanted a '50–50' scheme implying strict segregation right up to Legco level, where there would be an almost diplomatic meeting of racial delegations —'race federation', as advocated by the Republic's United Party. But in the Committee it emerged that non-racialism was the only viable basis for co-operation, and in June 1961 the Committee issued a unanimous call for the abolition of racial discrimination. Since then the white leaders, in public (whatever attitudes some may adopt in private), are ardent non-racialists. Integration has been proceeding steadily ever since and may soon reach a point of no return. It is slowest on the social front, as the whites have no intention of cutting themselves off from associations in the Republic. But it is underpinned not only by the 1963 Constitution's Bill of Rights, but by a new feeling among Swazi, including 'traditionalists', that their dignity as individuals must be recognized.

As an economically dominant minority, the whites have realized the need for caution in adopting a political stand. Their posture is one of support for the Ngwenyama 'as the only truly established Swazi authority which has constitutional rights *vis-à-vis* the Europeans and the British Government'.[5] They have therefore had to accept the SNC's unilateral abandonment of '50–50' in favour of the petition scheme, its sanctioning of mass politics, and finally its pan-African connections. 'They know what they're doing' is their usual appraisal of such adaptive responses. In the European Roll elections, the division was between those who saw themselves as a local white community opposed to Whitehall (United Swaziland Association—59 per cent of the votes, all four seats) and those who felt bound to accept a final decision of the British Government (Swaziland Independent Front—31 per cent of the votes). In both groups today there are some who want independence soon, often envisaging closer relations with the Republic, and others who would prefer the security of the British presence as long as possible.

The whites have never officially hoped for a Bantustan scheme. Todd, when he welcomed aspects of Verwoerd's 'offer', disavowed any such intention. But at the time, when investors' confidence in Swaziland was low, many of the financially weaker whites may have thought it would be a good thing to be bought up as 'white spots' in a 'black area', or to be 'rezoned' into the Republic in a land exchange of developed 'white' Swaziland areas[6] for the Swazi reserves in the Republic. Any such

[5] Letter from Mr Todd to *Times of Swaziland*, 2 February 1962.

[6] Havelock asbestos mine, Bomvu Ridge iron mine, Usutu Forest and Peak Timbers are on the border; the 'Mbabane–Manzini Axis' of development can be seen as cutting in like a wedge.

scheme would have foundered, however, upon the special position of land in Swazi tradition, and would now be quite contrary to Imbokodo policy, which envisages increased Swazi control over economic development. Moreover, it has always been an objective of the whites to remain in Swaziland. Many are proud of being Swazilanders, and inclined to speculate about Swaziland's 'setting an example to the rest of Africa' in racial harmony—a sentiment echoed by Mrs White, the Parliamentary Under-Secretary for Colonies, during her visit in March. In similar vein, SNC leaders like to speak of 'white Swazis and black Swazis', as if the former could readily be absorbed into the Nation. However, if anything happens which the whites see as radically threatening, such as the emergence of a militantly left-wing government, or subversive activity which is not vigorously suppressed, or even pressure from the Republic contrary to the theory referred to above, many, perhaps most, may retire across the border. A mass white exodus, given the dependence of the economy on white skills, will precipitate economic chaos, and may give the Republic an excuse to 'restore order'.

Adaptive responses

Imbokodo leaders are aware of these factors; indeed, they express them conversely by saying that Swazi need whites to help them develop. In order to retain white skills and investment, it is more important in the long run that emergent political forces be given legitimate opportunities than that white opinion be deferred to, as such forces may otherwise express themselves in unpredictable or radically disruptive forms of action. The 1963 strikes were a warning of the consequences of a failure to grasp this; they (and the referendum) showed that Swazi have an ability to engage in militant mass action. Sufficient legitimate opportunities may perhaps be found under the Imbokodo umbrella, in some 'one-party State' model; but this cannot be an 'organic' model, for it must expand the scope for the expression of interests, not confine it. One test of the evolution of an adequate model will be the question as to whether the newly formed National Trade Union will promote workers' interests vigorously. This body, designed to include all categories of worker, is supported by both the SNC and the leaders of some of the existing trade unions. Through its formation, the SNC has at last followed the employers in recognizing that the strikes discredited the alternatives to trade unions previously favoured by both. Another test is whether the other trade unions, and indeed the radical parties, will be involuntarily extinguished. It is far from certain that the 'traditionalists' will continue to modernize themselves without a threat from the Left to keep them aware of the need. Local government can provide another challenge to continue such modernizing; but there are still no definite plans for rural councils, while the recent urban elections were held on a restrictive ratepayer franchise.

The various initiatives that the Swazi 'traditionalists' are now taking to attract the emergent groups, such as 'evolués', literate youth, and full-time wage-earners, to whom militant mass action or pan-Africanism appeals, are for Imbokodo a long-term necessity. These groups will inevitably grow, and Imbokodo's policies on education, economic development, and employment of local personnel will hasten their growth. Moreover, it needs 'evolué' talent, both to reinforce its electoral appeal and to lessen its dependence on white assistance and thereby consolidate the present leading position of the Swazi side of the 'traditionalist' alliance, a position now underpinned by British policy. If this is not done before Britain's departure, there may then be a power vacuum which South African influence will tend to fill. Also, if Imbokodo does not give the emergent groups adequate weight within itself, or if the initiatives appear for other reasons to be a mere façade, there may well be a crisis shortly after independence.

It is possible to conceive of Swaziland enjoying an economically limited form of independence, maintained externally by Commonwealth and other international connections and internally by a balance of forces, at least until the long-awaited crisis arrives in Southern Africa. So long as Mozambique is unliberated, Swaziland can hardly function as a 'Trojan horse'; but neither will it be a 'Bantustan'. The Transkei's opposition Democratic Party, whose posture seems similar to Imbokodo's, may find the example interesting. Little policy change can be expected of Britain: simply more aid, especially in raising the levels of Swazi education and skill; and more effective safeguarding of civil liberties and political proprieties than occurred in connection with the 1964 election.

Reflections on the Auschwitz trial

ROBERT K. WOETZEL

The greatest war-crimes trial in German history ended on 19 August with the handing down by the Frankfurt court of six life sentences, several prison terms, and three acquittals. Life sentences were imposed on: Wilhelm Boger, former member of the political section of the Auschwitz extermination camp, for murder in at least 114 cases and being an

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accessory to murder in at least 1,000 cases; Franz Hofmann, a former camp leader, for murder in one case and participation in the murder ('gemeinschaftlichen Mord') of at least 2,880 persons; Oswald Kaduk, a former camp officer, for murder in at least ten cases and participation in the murder of at least 1,000 persons; Stefan Baretzki, a former block leader, for murder in at least five cases and being an accessory to murder in at least 8,250 cases; Josef Klehr, a former medical officer, for murder in at least 475 cases and being an accessory to murder in at least 2,730 cases; and Emil Bednarek, a former inmate and block elder, for murder in fourteen cases.

Robert Mulka and Karl Hoecker, former adjutants to the camp commander, were sentenced to fourteen and seven years' hard labour respectively for being accessories to murder in at least 3,000 cases each. Hans Stark, a former member of the political section, was sentenced to ten years under German youth law, since he committed murder in at least 300 cases but was under twenty-one when he was at Auschwitz. Klaus Dylewski and Pery Broad, both members of the political section, were sentenced to five and four years' hard labour for being accessories to murder in at least 1,500 and 2,000 cases respectively; Bruno Schlage, a former arrest supervisor, to six years' hard labour as an accessory to murder in at least eighty cases; Franz Lucas, a former camp doctor, to three years and three months' hard labour as an accessory to murder in at least 4,000 cases; Willi Frank, a former chief of the dental clinic at Auschwitz, to seven years' hard labour as an accessory to murder in at least 6,000 cases; Victor Capesius, a former camp apothecary, to nine years' hard labour for being an accessory to murder in at least 8,000 cases; and Herbert Scherpe and Emil Hantl, both former camp medical officers, to four years and six months' and three years and six months' hard labour for being accessories to murder in at least 900 and 380 cases respectively. Former defendant Richard Baer, the last commandant of Auschwitz, died in June 1963, and Heinrich Bischoff, a former block leader, died during the trial. The trial of a former camp medical officer, Gerhard Neubert, was discontinued on account of illness. The accused Schatz, Schobert, and Breitwieser were acquitted for lack of evidence.

The prosecution had asked for life sentences in sixteen cases and twelve years' hard labour each for Scherpe and Hantl; it requested acquittal for Breitwieser and Schobert. The prosecuting attorney has indicated that there will be an appeal against the sentences of several defendants. The court commented that it was not possible to arrive at sentences with mathematical precision: 'Even if in all cases the accused were sentenced to life imprisonment at hard labour for being accessories, the division of this punishment by the number of victims could never even come close to a just atonement. The human life is much too short for that.' Nevertheless, the sentences seem light by comparison with those

meted out for similar crimes by Allied courts after the second World War. In the *Einsatzgruppen* Case with Judge Michael A. Musmanno of the Pennsylvania Court of Common Pleas presiding, there were fifteen death sentences, two life sentences, three twenty-year sentences, two ten-year sentences, one release, and one suspension on account of illness; and the charges were substantially the same. Germany has abolished the death penalty, but, even so, the prison sentences at Frankfurt can be regarded as extremely moderate by comparison.

Unlike the International Military Tribunal at Nuremberg which applied international law, the Frankfurt court applied German law. It declared that it was not its duty to 'overcome the past' ('die Vergangenheit zu bewaeltigen'); the proceedings were simply a criminal case against Mulka *et al.* In this sense, the court attempted to determine the guilt of each defendant as specifically as possible, as attested to by evidence totalling more than 60,000 pages, with 182 court sessions, four prosecuting attorneys, three co-prosecutors, and more than twenty defence attorneys, at a cost to the State of several million Deutschmarks. The court rejected the defence claim that it was not competent to judge actions occurring under a different regime, since the Federal Republic of Germany was in direct continuity of the German State since 1871 and the laws under which the defendants were tried, for example against murder, had existed for a long period of time. National Socialism might have had control over the State, but it could not transform norms of justice into injustice, especially with regard to the question of the so-called 'final solution to the Jewish problem'. The court also rejected the idea that this was a 'show trial'.

The *Frankfurter Allgemeine Zeitung* of 20 August commented in an article by Johann Georg Reissmueller that a superhuman effort was required of the judges in order to consider the amount of evidence available: 'We are thinking . . . of the argument from the defence that the amount of material has accumulated so that the judges could not have before them in their judgment all that might be significant with regard to the specific charges made against the defendants, as the law requires.' It is clear that millions were killed at Auschwitz; yet the court convicted the main executioners on a comparatively limited number of cases. The unwillingness of the tribunal to consider the political context in which the crimes were committed may have militated against a full appreciation of the defence argument that a certain compulsion played a role in the situation, as well as against the prosecution's emphasis on the enormity of the crimes.

It would seem that it is not possible to dispose of these arguments with the claim that 'It is an experience of criminology that the testimony of witnesses is not among the best sources of evidence. This is even more so, when the testimony of witnesses concerns events which they observed

under indescribable pain and suffering twenty or more years ago.' The argument of the court that the distinction between a summary trial such as might have been held by the Nazis at Auschwitz and a legal proceeding lay in the clarification of individual guilt is not relevant here, since the determination of individual responsibility requires consideration of the context in which the crimes were committed. The Nuremberg Tribunal dealt with the question of compulsion and dismissed the plea of superior orders; it attributed responsibility broadly for crimes against humanity, war crimes, etc. While the defendants at Nuremberg were in leading positions in contrast with the executioners tried at Frankfurt, the accused in the Auschwitz proceeding could also be held responsible, because as the Frankfurt court confirmed, 'They were just as necessary in order to carry out the plan for the extermination of people in Auschwitz as those who devised it at their desks.'

The most relevant question in this connection is whether the defendants could have acted differently; if so, the exact determination of guilt by fingerprints or other methods, which the court referred to as unavailable in this case, would not be necessary, when sufficient testimony confirmed the relation between the criminal and the crime. To emphasize the absence of such sources of evidence was merely to blur the picture, when there was overwhelming evidence of crime and the positions and duties of the accused inevitably linked them to the process, according to the testimony of more than 300 witnesses. Furthermore, the court inspected the Auschwitz camp and only in the case of Breitwieser did it determine that the testimony deviated sufficiently substantially from the truth to warrant acquittal.

By declaring most of the defendants guilty the court indicated that they should have acted differently, regardless of the defence argument that this might have jeopardized their safety. In the case of Stark, it mitigated this view by declaring that he had grown up, so to speak, with the S.S. since he was sixteen and had reached the age of twenty-one while he was at Auschwitz, where the majority of his crimes were committed before he formally reached maturity. Indirectly, the court dealt with the argument of psychological compulsion, although in most countries a person aged between sixteen and twenty-one accused of such grave crimes, among others, as the shooting of two children would be treated differently from a minor who could not be expected to know the difference between right and wrong.

The court disclaimed any intention to judge moral or ethical issues. The distinction between the context in which the crimes occurred and the facts may not only have constituted an obstacle to a more comprehensive legal judgment of individual responsibility, but also attests to an unawareness of the causes of crime and the motivation involved. In the case of Boger the court skirted the issue when it declared that 'He had inwardly

approved of the tortures and cruelties. He knew and was proud that he was called the devil of the camp . . . the accused Boger wanted to make and made these killings his own deeds.' By referring to his inward consent the court indicated personal motivation; the objective of the action could only be clarified in the context of the situation, however. Boger's conviction that 'far too few people were shot' had definite causes; his hatred of the Poles, for example, was based on a definite attitude of mind. His conscience approved of these deeds, because he held certain racial and nationalistic beliefs. Whether he was sadistic or not, he killed for a purpose; he was declared sane and competent to stand trial.

The unwillingness of the German court to deal with the political causes, as reflected in a certain aversion among the German public on the subject of Nazism, was one of the primary grounds for disappointment among foreign observers of the Frankfurt trial. Not so much the sentences as the attempt to treat the crimes committed at Auschwitz on the same level as other delicts indicated a certain blindness regarding the circumstances which led to the tragedy. This does not mean that the trial need have degenerated into a political spectacle; but if the purpose of the proceeding was to bring to justice the executioners of Auschwitz, then motivation was as important a factor in the evaluation of guilt as the determination of the location of the crimes or the manner in which they were committed. In other words, the court did not deal with the deeper implications of the *pogroms*, and by not doing so evaded an indispensable part of a criminal proceeding of this kind. In this sense, the Judgment of Frankfurt does not measure up to the legal and sociological depth of the Nuremberg Judgment, which dealt comprehensively in each individual case with the causes of guilt.

In conclusion, it must be stated, however, that this grand reckoning of German justice was the result of the patient efforts of such outstanding lawyers as Franz Bauer, Attorney-General of Land Hessen, who is credited with having initiated the proceeding. Perhaps the treatment of causes was too much to expect; but, at least, an effort was made to deal with the problem of Nazi crimes in this trial, which aroused attention throughout the world and cannot fail to leave its mark on the minds and hearts of the German people, especially on the younger generation. As the chairman of the Frankfurt tribunal, Dr Hofmeyer, declared, quoting the accused Hofmann: 'It is terrible what people can ask of people.'

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Notes of the month

Rhodesia: the use of military force

THE question of the political impracticability of a British attempt to solve the Rhodesian problem by military intervention has tended to mask the military problem itself and has led to an assumption that direct intervention in Rhodesia would be virtually impossible. It is true that it would be very difficult and that the British Prime Minister has been wise, on these grounds alone, to take the attitude that he has taken; but unfortunately circumstances might conspire to leave the deployment of military force as the only line of responsible action. A breakdown of law and order in Rhodesia, a threat to Zambia's power supplies, or some less predictable action are possibilities which raise the question 'What could Britain actually do?' And in any case it is probably worth while trying to spell out the answer to this question for the record. In normal times, Britain has approximately a brigade group (around 3,000 to 3,500 men), including some airborne troops which are on more or less immediate call to meet emergencies of this kind. Details of the Rhodesian forces as given below show that this would certainly be inadequate for the establishment of an effective presence on Rhodesian soil capable of dominating the situation. Three brigade groups would be something nearer to the mark, bearing in mind not only the number of key strategic points in Rhodesia but also that superiority of strength on the ground *vis-à-vis* potential opposition would have to be clearly established if the operation were to be completed with the minimum of actual conflict. This would mean the withdrawal of forces from other areas—from Malaysia perhaps, from Cyprus, or from Germany. The Aden situation at a particular moment might permit of some subtraction from the forces there. With the consent of Britain's NATO allies, for example, such things could be done. There would, however, remain the major problem of deployment in so far as there were units involved other than contingents at present carrier-borne east of Suez.

It is generally reckoned that it would take the whole of RAF Transport Command about a week to move a brigade group 5,000 miles; and a base would undoubtedly have to be established for this purpose in Zambia, even though subsequently the airborne element were to be dropped into Rhodesia. Thus to move a larger force to Central Africa within a reasonable time would require outside assistance; the requisition

of civilian transport aircraft would presumably be a last resort, and assistance from the United States a more likely solution. The problems of maintaining such a force at such a distance would be considerable, even with the all-out support of nearby African States. Moreover, air support would be necessary at least to discourage interference by the small, not ultra-modern, but well-trained and determined Rhodesian air force. For example, the airfield at Lusaka would, to make the operation feasible, have to be defended at all costs against air attack.

The question as to how far the morale of the British forces concerned might be affected in any way by their use against white Rhodesians is hypothetical. It would depend upon the circumstances in which intervention took place. Only a direct attempt to overthrow the Smith regime by military action would be certain to produce any reactions, and even in these extreme circumstances, which are at present unlikely, it might well be that the deeply ingrained apolitical and disciplined tradition of the British forces would generally prevail.

The same problem for the Rhodesian forces is not likely to be simple. Apart from the matter of allegiance which must at present be torturing the majority of public servants in Rhodesia, special difficulties could arise in the security forces because of their composition. Rhodesia's regular European forces consist of a Special Air Service Squadron of about 150 paratroops and a battalion of light infantry, as well as ancillary units such as engineers and signals. These units contain substantial proportions not only of South Africans but also of Britons. In the early stages of the raising of the major units, roughly 25 per cent were recruited directly from Britain. Of these, some would be reluctant finally to break with Britain; others are like the white mercenaries in the Congo, which force a few at one time sought to join. The strength of the Rhodesian army, however, lies not so much in the regular as in the Territorial Force. All residents between the ages of eighteen and twenty-three other than Africans are liable to four and a half months' continuous military service—the non-Europeans for non-combatant roles—followed by three years' part-time training with an active Territorial battalion. There are four such battalions readily available for service and probably four more reserve battalions, composed of men who have completed their regular training liability. These are units which would certainly reflect the current political mood of the European population and not be likely at present to waver in their loyalty to the *de facto* Government. The Rhodesia Front has in any case had considerable success in winning the support of the whole officer corps during the last two years, and was, of course, instrumental in replacing the then General Officer Commanding last year.

It should not be forgotten, however, that there is a regular African battalion, whose reputation is not particularly high and whose conduct would be unpredictable in the event of a serious African rising. It has

European officers but is otherwise largely a mixed Matabele and Mashona unit. In some circumstances a mutiny presumably could not be ruled out, but equally it can be assumed that the Rhodesians are alert to the possibility if it exists. A more important factor in internal security is the police force which was from the first more sympathetic to the present political leadership than the other security forces. Much may depend on the success of its deliberate policy of welding 2,000 Europeans, many of them recruited from public and grammar schools in Britain, and 4,000 Africans into a cohesive and exclusive body with an exceptionally high morale. There are large reserves of both races, and an emergency would mean the mobilization of considerable numbers of extra Europeans for the police as well as for the Territorial Force. A long-drawn-out internal and external threat would progressively create a strain on Rhodesia's trained man-power resources. A total of 217,000 Europeans of all ages and both sexes does not give much margin in this respect. Even though military and police service might tend to compensate for unemployment created by economic sanctions, the strain on the administration and the public services would be considerable if most young white men under thirty were in uniform for any considerable period. Rhodesia is in normal times a large country run by a small élite.

The Rhodesian air force, largely inherited from the Federal provision, will be a key element in the next few weeks and months. It consists of forty to fifty *Vampire*, *Hunter*, and *Canberra* operational aircraft and a squadron of transports as well as helicopters and light aircraft. In the African context it is a formidable force of which any potential enemy would have to take serious account. Its personnel strength is about 1,000 men: there have been at times large infusions of trained air crew from the RAF.

Rhodesia has the strategic advantage of having her rear and flanks protected by the Portuguese-dominated territories of Angola and Mozambique and the Republic of South Africa. An African threat to Rhodesia could develop only from the air—an unlikely eventuality for obvious reasons—or across the Zambesi from Zambia. The frontier itself, with its gorges, the Kariba Lake, and wooded escarpments, lends itself on the whole to defence, particularly as there are only three main crossing-points to which roads, and in one case the railway, lead. Assessments made in recent months of the military potentiality of the Organization of African Unity to carry out their threats against South Africa are also valid for Rhodesia, though that country is obviously more vulnerable than the Republic. Of about 400,000 men in all in the forces of African States, most are in the service of the countries of the Mediterranean littoral. Sub-Saharan Africa's aggregate of defence forces is slowly growing but is not yet far in excess of 150,000. Apart from the Congo (Léopoldville), the only substantial national forces are those of Ethiopia, Nigeria,

Ghana, the Sudan, and perhaps Somalia. Of these Ethiopia has around 30,000 men under arms, but she has her own internal problems to cope with: none of the other countries' security forces exceed 12,000. Nigeria has 10,000 soldiers, sailors, and airmen to serve a country of more than 40 million inhabitants. Even Ghana's similar figure for a population of around 7 million is by no means excessive by normal standards. The other armed forces of Africa vary in size from 200 or 300 to 4,000 or 5,000; those of the ex-French States are generally the smallest. Nevertheless, it would not be inconceivable that between them these small and generally poor States could raise a total of, say, 20,000 men, particularly if they had support from North Africa, from the United Arab Republic, for example.

Such an expeditionary force would not be well armed or equipped. It would be deficient in transport, sophisticated weapons, and signals equipment. Ethiopia, Ghana, and Nigeria between them might provide rather more than two battalions of airborne troops, but only Ethiopia could go any distance towards providing the necessary air cover. It would be interesting to see how her American F-86F jet fighters would fare against Rhodesia's own jet aircraft. Two problems would, however, overshadow all others should the African States respond to President Nkrumah's desire to take the military initiative. These are the logistic problems of transport to Central Africa—presumably to Zambia—and maintenance for the purpose of sustained operations, and the question of a unified command and its commander.

It is clear that the U.N. operation in the Congo would not have been possible without American, and to a lesser extent British and Russian, transport aircraft. Similarly an African expedition to Rhodesia would be so dependent unless they ruthlessly requisitioned the civil aircraft at their disposal and had full assistance from their friends. The matter of command is even more complex and delicate. Attempts to set up an African High Command have not so far had any real success. There is not only the difficulty of finding a suitably experienced or skilled commander, but also that of attempting to standardize different command structures and procedures. There would, of course, be a language problem; this, however, along with others tends to be minimized in such situations if Commonwealth countries play a prominent role. All these questions are quite apart from that of morale. Here it may be true that, when faced with the best of the African troops, the white Rhodesians would be in danger of overrating their own superiority. The Rhodesian Territorial Force has, after all, only limited training behind it, and there would be no strict parallel in circumstances between this situation and that in which the white mercenaries in the Congo acquired their reputation. Nevertheless, even with a two-to-one superiority, the dice would be loaded against an African force attempting to break in to the Rhodesian 'laager'.

In spite of some 'chinks in Rhodesia's armour' which a major long-term military threat might widen considerably, only serious internal disorder, amounting almost to a general African uprising, could create conditions in which a prediction of military success for the forces of pan-Africa could reasonably be made. WILLIAM GUTTERIDGE

Vietnam: the record of proposals to negotiate

ONE of the most contentious issues in the Vietnam conflict has been that of negotiations. Recent disclosures in November from both Washington and Peking serve to remind us that the problem is more complex than many over-simplified analyses would suggest. This Note will briefly summarize the various offers of negotiations which have been made by the parties to the war over the past two years.

On 15 November a State Department spokesman confirmed that in August 1964 the United States had rejected a proposal for peace talks with North Vietnam. This proposal, suggesting informal talks in Rangoon between North Vietnamese and American representatives, was made by U Thant immediately after the Tonkin Gulf incident that month. North Vietnam agreed to such talks, but, according to the State Department, 'it was not believed that the Communists were prepared for serious discussions.' According to 'unimpeachable sources' at the United Nations, the proposal was rejected by the Johnson Administration both because it was felt that negotiations with Hanoi might cause the Khanh Government of South Vietnam to fall, and also because of the imminent U.S. Presidential election. It was feared that the Democratic campaign would be damaged if any word of negotiations leaked out.[1]

This was only one of several tentative peace initiatives which were apparently made in the fifteen months between the fall of President Diem in November 1963 and the extension of the war to North Vietnam in February 1965. According to the same 'unimpeachable sources' at the U.N., Hanoi proposed discussions soon after Diem's fall. This proposal was transmitted via the Secretary-General to Mr Stevenson, then U.S. Ambassador at the U.N.[2] On 29 August 1963 President de Gaulle had called for negotiations towards the neutralization of North and South Vietnam and their reunification. Again, after Diem's fall, this suggestion was reportedly endorsed by President Ho Chi-minh of North Vietnam.[3] In July 1964 President de Gaulle suggested an international conference to proclaim the neutrality of Vietnam, Laos, and Cambodia. Both French proposals were rejected by the United States. As President Johnson explained, 'we do not believe in a conference called to ratify terror'; and he

[1] Hella Pick in *The Guardian*, 9 August 1965; Darius Jhabvala in *New York Herald Tribune*, 8 August 1965; James Reston in *New York Times*, International Edition, 3–4 April 1965.
[2] Hella Pick, *loc. cit.*
[3] M. S. Handler in *New York Times*, 5 November 1963.

argued that there could be peace immediately 'if the Communists honoured the agreements of previous conferences'.[4]

Chronologically speaking, the period between Diem's fall and the extension of the war to the North can be regarded as the first phase of attempted negotiations over Vietnam, with America totally unwilling to negotiate and Hanoi apparently receptive to the idea. There followed a second transitional phase during which both parties reformulated their positions in the light of the new situation brought about by the bombing of North Vietnam and the massive increase in America's military commitment to the South. This phase lasted from February to April 1965. The United States continued to brush aside publicly any suggestion of negotiations. A further French plea for early negotiations was reported to have been rejected during talks between the French Foreign Minister and leading American officials in Washington in late February.[5] According to the Presidential secretary, Mr George Reedy, 'there are no meaningful proposals for negotiations that are before our Government.'[6] U Thant then proposed a conference of the Great Powers plus North and South Vietnam. It was reported that 'the United States has told U Thant . . . that it could not accept his or any other invitation to a conference on Vietnam until North Vietnam indicated a readiness to halt its aggression'.[7] In all public statements, U.S. officials insisted that there could be no basis for negotiations until, as Secretary of State Dean Rusk explained, Hanoi had 'ceased its aggression'.[8] This view was supported by the British Government, which believed that there should be a 'cessation of all Communist Vietcong guerrilla activities' before any formal negotiations.[9]

Meanwhile, the position of North Vietnam was hardening. Until the end of February her attitude was still in doubt. There were some reports that she supported the new proposals of France and U Thant.[10] One official statement from Hanoi on 14 February even appeared to criticize the British Government for its reluctance to reconvene the Geneva Conference, thus implying that Hanoi still favoured negotiations.[11] However, at the Indochinese People's Conference, held in Cambodia at the beginning of March, the North Vietnamese came out in clear opposition to a proposal made by Prince Sihanouk for a Geneva-type conference on Vietnam.

Hanoi's initial hesitation may have been due to an attempt made by the Soviet Union to bring about negotiations, on which recent Chinese

[4] *New York Times*, 25 July 1964.
[5] *New York Times*, 22 February 1965.
[6] *The Times*, 24 February 1965.
[7] *New York Times*, 9 March 1965.
[8] *New York Times*, 26 February 1965.
[9] Terence Prittie in *The Guardian*, 11 and 13 February 1965.
[10] Drew Middleton in *New York Times*, 23 February 1965.
[11] *NhanDan* commentary of 14 February in New China News Agency, 15 February 1965.

polemics have provided additional detail. On 7 February, the day after he had arrived in Hanoi on an official visit, Mr Kosygin had publicly stated that his Government was in favour of a Geneva Conference on Indochina including Vietnam.[12] According to the Chinese account, on 16 February—as soon as Mr Kosygin had returned to Moscow—the Soviet Government officially proposed to both China and North Vietnam the convening of a new international conference on Indochina.[13] On the same day, according to authoritative British sources, Mr Lapin, a Soviet deputy Foreign Minister, informed the British Ambassador in Moscow that his Government wished to reactivate the Geneva co-chairmanship on Vietnam, thus reversing the previous Soviet view that this co-chairmanship was inoperative. 'Firemen do not argue about their duties,' said Mr Lapin, 'when the fire breaks out.' On 17 February the Soviet Ambassador in Paris approached the French, and on 23 February it was made known in Paris that France and the Soviet Union had agreed to press jointly for an international conference.[14] However, the Soviet Union soon relapsed into inactivity, presumably as the intransigent attitudes of both the United States and North Vietnam became clear. By late March, when Mr Gromyko visited London, he expressed the view that the calling of a conference was a matter for the countries principally involved—North Vietnam and the United States—and that the Soviet Union was not authorized to negotiate on Hanoi's behalf.

Britain, like the United States, had been distinctly cool towards the whole idea of negotiations in February. Proposals were felt to be 'premature' until North Vietnamese 'aggression' had ceased, and until a basis for negotiations had been established. On 20 February, however, Britain had proposed to the Soviet Union a form of words to be circulated by the co-chairmen to the interested governments asking for their views on how a peaceful settlement could be reached in Vietnam. The Soviet reply of 15 March to this proposal clearly conveyed Moscow's growing disillusion and its unwillingness to act. Britain had by this time become much more enthusiastic towards negotiations. On 16 March Mr Wilson personally proposed to Mr Gromyko that 'the two co-chairmen should actually reconvene the Geneva Conference on Indochina', thus abandoning Britain's previous insistence that this could not be done without the prior concurrence of all the other governments concerned. This proposal was rejected by Mr Gromyko.[15]

The third and present phase of attempted negotiations can be said to have begun on 7 April 1965, with President Johnson's Baltimore speech offering 'unconditional discussions'. As the *New York Times* remarked,

[12] See further 'Mr Kosygin's Asian tour' by the present writer, in *The World Today*, March 1965.
[13] 'Refutation of the New Leaders of the C.P.S.U. on "United Action",' in *Peking Review*, 12 November 1965. [14] *The Times*, 25 February 1965.
[15] For details of Anglo-Soviet exchanges see Cmnd. 2756.

'the speech marked the first stated willingness by the United States to negotiate in Vietnam.' This was shortly followed by North Vietnam's 'Four-Point Proposal', agreed on by the North Vietnamese National Assembly and made public on 12 April. While this Proposal is less extreme than many Western accounts suggest, it does put forward pre-conditions for negotiations which are quite unacceptable to the United States.[16] As of November 1965, the Baltimore speech and the Four-Point Proposal are still reaffirmed by the United States and by Hanoi as their basic negotiating positions, at least in public.

One should not draw too many conclusions from the record of offers of negotiations as outlined above. It should be remembered that a professed willingness to negotiate, whether by Hanoi or by Washington, is only one factor in the equation which might lead to the conference table. Other factors of equal importance are the sincerity of the offer, the pre-conditions attached, the basis upon which a party is prepared to negotiate, and the military situation in the field. The position on negotiations of the National Liberation Front ('Vietcong'), which differs significantly from that of Hanoi,[17] has also been omitted from this outline. It is clear, however, that the 'enemies of negotiation' are not confined to one particular side, and that its allies have not always been constant.

JOHN GITTINGS

The OAU meeting in Accra

THE third Assembly of Heads of State and Government of the Organization of African Unity was held in Accra from 21 to 25 October. Twenty-eight out of the thirty-six independent African States were represented, eighteen at Head of State or Government level.

Doubts whether the Conference would ever be held remained until the last moment. The dispute between President Nkrumah and leaders of the Entente States[1] over the question of alleged Ghanaian subversion threatened to cause its complete breakdown. Despite an earlier Ministerial meeting in Lagos to discuss the question and a last-minute confrontation in Bamako between Presidents Nkrumah, Houphouet-Boigny, Yameogo, and Diori, in the event the Entente States did boycott the meeting. Despite this, the Conference opened as planned on 21 October following four days of intense activity by the Foreign Ministers of the member States to agree on a suitable agenda.

The meeting itself was dominated throughout by the question of Rhodesia, following as it did on the announced visit to Salisbury of Mr Wilson. The first session and that on 22 October were entirely concerned

[16] For text and analysis, see Robin Murray (ed.): *Vietnam No. 1 in the Read-In series*, London, 1965, pp. 175–7. [17] *ibid.*, pp. 177–8.

[1] Upper Volta, Ivory Coast, Niger, and Dahomey. The Entente was formed in May 1959 on the initiative of President Houphouet-Boigny; Dahomey has ceased to be represented at its meetings since the *coup* in October 1963.

with this issue, the discussion being based on the terms of a resolution submitted to the Heads of Government by the Council of Ministers. In the end, a resolution more moderate than might have been expected was unanimously passed, calling upon the United Kingdom Government to suspend the 1961 Constitution, to release the Nationalist leaders, and to hold a Constitutional Conference. In the event of Britain not acting in this way, the OAU Heads of State were asked to reconsider political, economic, and diplomatic relations with the U.K. Government and to contemplate using all possible means, including the use of force, with a view to opposing a Unilateral Declaration of Independence. The Conference further resolved to set up a five-man committee to ensure the effective implementation of the resolution. Commonwealth members of the OAU apparently came under some pressure to withdraw from the Commonwealth in certain circumstances, but there is evidence to show that they refused to be stampeded in action of this kind.

Other major questions discussed included the problem of subversion and political refugees, and also Dr Nkrumah's call for an African Union Government. A reasonable resolution on subversion affirmed that African leaders would not allow subversive activities within their countries against any other OAU member State. But a further resolution provided an escape-clause by its statement that the principles of international law should be observed for the treatment of political refugees. The leaders further decided to submit to arbitration other differences of opinion between members, and there are signs that steps towards implementation of this resolution have already been taken.

President Nkrumah's proposal on an African Union Government and his appeal for an Executive Council for the OAU did not receive the necessary support. An Ethiopian proposal to set up a six-man committee to look into the suggestion was defeated, and in the end the Conference merely 'took note of the proposal of the Government of Ghana concerning the establishment of an Executive Committee of the OAU' and requested Governments to examine the problem in order to discuss it at the next OAU session. Nkrumah, obviously disappointed, in his closing speech indicated that he would return to the question of setting up an Executive Council under the Charter of the OAU at the next session, and stated that he hoped that as a result it would be possible to determine the functions and the responsibilities of such a Council and possibly even to establish it then.

A further topic of discussion was engendered by the presence of Colonel Boumedienne of Algeria, who came accompanied by his Foreign Secretary to present the case for holding the Afro-Asian Conference in Algiers. As it turned out, he was not very successful in drumming up support and Guinea's President Sékou Touré went so far as to issue a press statement saying that he had no intention of attending.

Since President Kasavubu's attendance in Accra was conditional on the omission of the problem of the Congo from the agenda this was not discussed. The previous dismissal of Mr Tshombe naturally made this condition very much easier to accept.

Several other topics were discussed at some length. Despite the fact that representatives of Bechuanaland, Basutoland, and Swaziland had been invited to the Conference, they were seen only once by the Heads of State, and then only to be told that they were 'puppets' of the South African regime, and that the OAU had therefore decided to back the opposition Nationalist parties. In addition to resolutions on racial discrimination and *apartheid* in South Africa and in the Portuguese African territories, the Heads of State made other declarations which were aimed at strengthening the administration of the Organization, and adopted rules of procedure for the conduct of the African lobby at the United Nations.

Finally, it is perhaps worth mentioning the variety of topics that might well have arisen at the Conference but were in fact hardly touched on. The vexed questions of Vietnam, Aden, and Kashmir, and the expected squabble between the All-African Trade Union Federation and the African Trade Union Conference for recognition by the OAU were in the event unmentioned, partly due to lack of time and partly because Heads of State were determined not to let matters outside Africa be discussed.

What were the major successes and failures of the meeting? Despite the absence of many of the moderate leaders, the radicals did not have things all their own way. The discussion at the Conference, which Albert Margai called the first real working session of the OAU, debated in serious manner and produced on the whole well-thought-out resolutions. Ghana can be pleased that the Conference itself was an organizational success, that there were no major squabbles or crises among the delegates, and that a general improvement in the personal relationships between many of the Heads of State attending was obvious. The consequent *rapprochement* between the two Congos is an outstanding example.

Again, there is little to suggest that the Entente States gained overmuch by their boycott, though Mr Jawara of the Gambia is reported to have emphasized that future meetings should be held in a country where all OAU States could be expected to attend. The situation was perhaps best summed up by President Nyerere when he said: 'Who are they boycotting? President Nkrumah? But surely the OAU is not President Nkrumah on his own. The OAU is in fact all of us here. It is all of us that they are really boycotting.'

On the debit side, however, apart from the resolutions on Rhodesia and on subversion, very little was achieved, and already there are regrettable signs that Ghana is going back on her word with regard to political refugees. Again, the combined might of the African leadership failed to reconcile the differences between the Rhodesian ZANU and ZAPU

movements in order to create a unified resistance within Rhodesia or even the basis for an African Government in exile. On Rhodesia—despite the resolutions, and despite Secretary-General Diallo Telli's remarks on his return to Addis Ababa about a 'military commission', presumably to deal with the use of force after a unilateral declaration of independence—the leaders showed themselves only too well aware of their inability to take any realistic action other than to apply pressure on the British Government.

Nevertheless, the OAU has survived and has even gained in strength. But if it is to become a real factor in African politics, it is essential, in order that the entire spectrum of African political opinion may be represented, that the moderate leaders should not be driven to boycott future meetings. The decision to hold next year's Conference in the more neutral territory of Addis Ababa should make this easier to achieve.

A CORRESPONDENT

The Northern Ireland elections

EVEN before polling day in the Stormont elections in Northern Ireland (25 November) it was clear that the Unionist Party would again be returned, as they have been in every election since 1921. As early as Nomination Day the Unionists were only thirteen seats short of an overall majority in the House; of the 52 seats only 29 were contested,[1] and of these only some 5 could be considered marginal.[2] The Unionists appeared, then, to face the election from an impregnable position. Repeated success has oiled the wheels of the party machine, and the organization benefits from strong financial reserves—a necessity where the duplication of elections for Stormont and Westminster places a heavy strain on party resources. The Orange Order, too, provides the Unionists with valuable support. Every village has its Orange Hall; there are official Orange delegates to the Ulster Unionist Council, and all the members of Captain O'Neill's Cabinet are Orangemen. (O'Neill himself recently made a television appearance wearing his Orange sash.) The Opposition parties were divided, and handicapped by failing funds. The Northern Ireland Labour Party, despite its energetic and strongly centralized party organization, has made nothing like the impact of its counterpart in England, holding no more than 2 seats; while the Nationalists, with 9 seats, were content until recently to stand on nationalism alone and had no official party organization. They were challenged less by the Unionists than by a proliferation of new and independent Nationalist-minded groups.[3] A suggestion from the Nationalists that all Opposition parties

[1] In 1962 28 seats were contested. In 1965 the uncontested seats are distributed thus: 14 Unionist, 5 Nationalist, 1 each National Democratic Party (*vide* footnote 3), Republican Labour, Liberal, and Independent.

[2] Willowfield, Woodvale, Carrick, Clifton, Duncairn.

[3] e.g. the National Democratic Party, mainly based in Belfast, which was

might co-operate foundered on the wide divergence of their aims, especially on Nationalist attitudes to the border which Labour does not share. Co-operation among the heterogeneous Opposition prospered, however, to the extent that in every constituency but one the Unionists were faced with a straight fight.[4] Thus, although a Unionist victory was assured, the margin of success was less certain. In the event, it was a rout. The Unionists were returned with an increased majority, having wrested 2 seats from the Labour Party—Woodvale and Victoria. There was in all seats a marked swing to the Unionists[5] despite the low poll and the fact that the Government vote was often down on the 1962 elections. Only in the West, where economic progress has been markedly slower, was the poll higher and the Unionist position less overwhelmingly strong.

Why did Captain O'Neill decide to dissolve Parliament in mid-term, and with seventeen important Bills before it? He has never had to fight an election in his own constituency and is relatively inexperienced in election manœuvres. The increasing popularity of the Labour Administration in Westminster is a new factor, the potency of which was tacitly recognized when one reason given for the choice of the election date was that it would be undesirable for a Stormont election to coincide with a general 'imperial' election for Westminster. Even so, the date was likely to prove awkward. It was late in the year—the silly season for elections—and there was widespread feeling that as a Unionist victory was inevitable the election itself was not strictly necessary. Again, the number of uncontested Unionist seats is decreasing, and while the Unionists had fewer candidates this year than in 1962, the number of Opposition candidates went up.[6] If these factors are taken into account, it may well be significant that although O'Neill has been under attack from the Right wing of his party for his initiative in the *détente* with the South, there were no independent Unionist right-wing candidates, and no part was played in the campaign by the extremist Protestant dissidents on the lunatic fringe. The Unionist leaders played their cards with some caution.

In this connection, it is interesting to look at the issues on which the election was fought. For the first time in Ulster electoral history, it seemed that the question of the border might not determine the outcome automatically. The meetings of O'Neill and Lemass and the visits of other

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formed in an attempt to attach an official party organization to the Parliamentary party. They have co-operated with the Nationalist Party by agreement. Some rudimentary constituency associations have been formed, but there is still no transcending central organization.

[4] The exception was Bloomfield, where there was a Communist candidate who lost his deposit.

[5] In Belfast the swing to the Unionists averaged 5·9 per cent; in Woodvale the swing was 14·7 per cent.

[6] Unionists: 41 candidates (45 in 1962); N. Ireland Labour: 17 (14); Nationalist: 9 (9); National Democratic Party: 4 (new party); Communist: 1(–); Republican Labour: 2 (2); others: 4 (4).

Cabinet Ministers to Dublin have eased the old tensions, and the attractive material prospects of an end to tariffs against Ulster and the proposed agreement over a free trade area with Britain have made a *rapprochement* seem increasingly acceptable to all but extreme right-wing Unionists. As late as 9 November 1965, the *Belfast Telegraph* was emphasizing that 'by his meetings with Mr Lemass . . . [O'Neill] has taken the border out of every day politics, and one of the objects of the election is that this act of statesmanship should be endorsed'. The election, it seemed, would be fought on the issue of economic prosperity and the £900 m. 'build a new Ulster' development programme; it was to be fought in November expressly so that the issues at stake should not become confused in the flaring of Green and Orange passions over the celebration of the anniversary of the Easter Rising early in 1966. Unluckily for these hopes, however, the border question was effectively rallied by the Unionists themselves less than a fortnight before the election, though it may not have been Captain O'Neill himself who took the initiative. The source is problematical, but the fact remains that IRA threats against the lives of Cabinet Ministers were announced with resounding publicity, and police precautions were 'leaked' to the press.[7] The incident had other puzzling features. At no time was any evidence produced to justify the precautionary measures, and two influential Cabinet Ministers (the Deputy Premier, Mr Faulkner, and the Minister of Agriculture, Mr West) denied receiving any threats or even being told that guards had been assigned to them. Whatever the substance of the threats, however, they almost certainly had the effect of enticing wavering voters back to the Unionists, just as the Divis Street riots in 1964 produced a pro-Ministerial reaction.

The issue of the border may prompt one to ask whether there is any indication that elections in Northern Ireland are coming gradually to display signs of normality, or whether old issues, ancient wrongs, and remarkable electoral practices are still combining to bedevil progress. Religious considerations are certainly beginning to lose some of their force. Rank-and-file Orangemen are often more interested in making social contacts through the Order than in its religious preoccupations, and the objections to 'bridge-building' between Catholic and Protestant are voiced less often.[8] Perhaps it is significant that the wall paintings of King Billy, garnished with fine phrases like 'cemented with love', are being left to fade. As developing Nationalist Party organization begins to supplant the importance of the parish in politics, so its sectarian exclusiveness is beginning to fall away. The Labour Party has not usually

[7] The Unionist *News-Letter* reported on 11 November that 'The official statement on the situation has been made only because the precautions taken have unfortunately become public.'

[8] In extreme Protestant areas, however, such as the Shankill Road and Sandy Row in Belfast, no concessions are likely to be made in the foreseeable future.

been associated with one religious group.[9] Irish electoral practices, too, are to be reviewed, though as yet this Unionist undertaking has not been implemented. The wide discrepancies between constituencies[10] is aggravated by gerrymandering that was arranged before 1935 (when the local administrative districts were redrawn), and the fact that there has been no electoral boundaries commission since 1921. Practices that were ironed out of Britain in 1948 linger on in Ulster. By multiple voting rights, business owners and their wives account for some 12,000 extra votes, and Queen's University returns four members, one-thirteenth of the strength of the House. There is still a seven-year residence qualification for Stormont elections. Most irregular of all, there is the complicated network of 'personations' that accompanies each election, the personating record being held by a woman who claims to have voted thirty-six times in one election. The practice is recognized to be widespread, and each party nominates a Personating Officer to attend the polling booths and trip up the unwary personater. It has even been known for Officers who are unable to attend on the day to send substitutes to officiate at the booths in their names! In the last analysis, however, these practices probably make little difference. The system may work unfairly, but the results are not materially affected. Far more significant is the influence of television in portraying English political life and in showing up the discrepancies between the two countries, so that there is now a more general realization of the need to review Ulster politics.

Thus the 1965 election has brought no major change in the distribution of power at Stormont. Can it be said to have marked a further stage in the rather tentative process of political rationalization in Ulster? It is true that, for the first time, religion and the border were not the paramount issues; indeed, it was claimed that the sophistication of the Unionists' economic arguments helped to account for the very low polls. Yet the results are ominous in two respects. Labour has suffered a defeat and the mantle of effective opposition must now fall on the Nationalists at a time when their ranks are divided and their new party machine is precarious. For the Nationalists and the National-Democrats to find ground on which they are in complete accord, they must look to the border. Far from being irrelevant therefore, the border is likely to assume a new importance. Secondly, the Unionist success has meant that, if Ulster politics are to take on any new shape, it is likely to be according to the familiar pattern of one-party rule.

DEBORAH LAVIN

[9] It is no doubt significant that the usual pattern in contested seats is to have a straight fight so that the Catholic voters may support Labour by force of circumstance.

[10] e.g. in the distribution of Catholics and Protestants, working and middle class, and in numerical strength ranging from Dock, with 7,500 voters, to Mid-Down at 40,000 strong.

Brazil stops pretending

EMANUEL DE KADT

THE decision of President Castelo Branco to give in, finally, to the 'tough line' military and to end his eighteen-month-old balancing act between the forces standing for a maximum of formally democratic legality and continuity with the past, and those wishing to pursue their purging activities fettered by few, if any, restraints, has had an almost universally bad press. Brazilian newspapers reported extensively on the reactions in the outside world, and virtually everywhere the dominant tone was one of condemnation or at least dismay: Brazil had entered into an outright military dictatorship. One of the few exceptions was a report from London that 'the City' was well pleased with the strengthening of the *Revolução*. Brazil's Minister of Justice, Juraci Magalhães (newly appointed just before the crisis in substitution for the liberal Milton Campos), ex-general, ex-Ambassador to the United States, and the civilian strong man of the regime, remarked that these storms would soon blow over and that the world would recognize the true and excellent nature of the new political set-up in the country.

In actual fact, it will be some time before anyone will be able to see clearly where the new institutional arrangements, imposed upon the country on 27 October, will lead in practice. The basic outlines, on paper, are clear enough. The President, and the military, have been given greatly increased powers; the remains of the legislative institutions inherited from the past (Congress, the state Assemblies) have been reduced to operetta status; and another round is opened in the perpetual tug of war for authority between the Federal Government and the important states, with indications that a further decrease in the still great independence and power of the states is in the offing. The measures are contained in the Institutional Act No. 2, which will remain in force until March 1967, and aims to strengthen the provisions of the first Act, proclaimed after the overthrow of President Goulart in April 1964.[1]

Specifically, the Act provides for the possibility (not yet realized at the time of writing) of the proclamation of a state of siege and of the suspension of Congress and state Assemblies. The President has also assumed the right to hand down supplementary Acts and decree-laws in the

[1] See 'The *coup* in Brazil' by Christopher George, in *The World Today*, May 1964.

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interest of the defence of the *Revolução* or of national security—powers these, which he has shown no hesitation in employing. The Act reintro duces for the full period of its duration the right of the Government t pension off or dismiss public functionaries, and the right to remov elected politicians or to suspend the political rights of citizens for te years. Moreover, it imposes severe restrictions upon the activities an movements of those whose political rights are suspended, restrictions re inforced by the introduction of a supplementary Act early in Novembe establishing heavy penalties against organizations of mass media wh give them employment or a forum. The Act widens the grounds fo Federal intervention in the states, henceforth possible if required t ensure the enforcement of Federal laws or for the prevention or repres sion of subversion of the established order. Further, it abolishes a hitherto existing political parties. The competence of the military court over civilians is widely extended, and will in future cover cases fallin under the flexible heading of crimes against the security of the State c the military institutions. This article, as well as the one abolishing direc Presidential elections and establishing the election of the top Executive by Congress, is incorporated into the Constitution—thus not subjecte to the time-limit of the duration of Act No. 2. There are some other suc provisions, regulating judicial, administrative, and legislative pro cedures; though interesting they are of less importance and must remai undiscussed here.

Background to the recent developments

It is impossible to assess the meaning for the country of these develop ments without understanding the forces that led to them in the first place On 3 October elections were held for the Governorship and Vice Governorship of half of Brazil's states. Except in the states of Paraná Minas Gerais, and Guanabara, the city-state of Rio de Janeiro, the elec torates were small and insignificant. Because of widespread illiteracy the represented but a fraction of the persons of voting age (the average fo eight out of the eleven states was under 50 per cent). Santa Caterina an Paraná, in the southern part of Brazil, and Guanabara, with its all-urba electorate, are special cases; in the other states the influence on the actua voters of traditional rural political bosses, though declining, was sti great. A very large part of the people of Brazil has, therefore, not had voice in the politics of the country. But even within the limited area c political participation it was hard to attribute any clear meaning to th outcome of the elections in most states. The parties there have bee structured around local personalities rather than around political pro grammes or ideologies. Their flaunting of the same party labels as thos used in larger and more developed states was deceptive, and one coul not deduce much from the victory of one coalition or another. Neverthe

less, it was striking that a coalition of the PSD (Social Democratic Party) and the PTB (Brazilian Labour Party) appeared in eight states, that it was identified as representing the opposition to Castelo Branco's regime, and that it won in five—including the important states of Minas Gerais and Guanabara.

Both these parties had been founded by Getúlio Vargas when he was forced to end his paternalistic and populist dictatorship in 1945. The PTB was meant mainly to consolidate Vargas's support among the urban workers, who had benefited greatly from his social legislation. The PSD was to provide a focal point for the traditionalist and conservative political machine in the rural areas, and to attract elements of the urban middle classes and the industrial bourgeoisie. The PTB was the party of João Goulart (one-time Minister of Labour under Vargas), the PSD that of Juscelino Kubitschek, both of them ex-Presidents whose political rights were cancelled for ten years after last year's *coup*, together with those of many other members of these parties. Both parties, therefore, bore a grudge against Castelo Branco and the *Revolução*—despite the fact that the PSD has been a fairly consistent supporter of the Government. Together they could furnish some sort of rallying point, albeit an incoherent one, for those who were opposed to one aspect or another of the regime.

The party whose members had provided the backbone of the civilian support for last year's *coup* was the UDN, the National Democratic Union. In the recent elections its candidates were clearly identified with the Government and its policies in all states but one. That one state was Guanabara. There the incumbent Governor, Carlos Lacerda of the UDN, had been attacking the Government with increasing violence during the months preceding the elections. He harped mainly on economic policies, aware of the Government's unpopularity on that count. But at the same time he played the role of watchdog over the *Revolução*, his particular interpretation of this phenomenon being essentially identical with that of the officers of the 'tough line'. The Government, so he said, had been soft on those leading the country before April 1964. But he differed from the military men in his insistence on the holding of elections. He realized that his own political prospects depended on the regularization of the electoral process: until the recent crisis he was the UDN's candidate for the Presidential elections which would have been held in October 1966.

Lacerda's hand-picked candidate for the succession to his post as Governor was soundly beaten, despite an attempt to rally support, especially among the women of the city, by raising once again the spectre of Communist subversion. Immediately after the elections, cries were heard on a wide front that the *Revolução* was in danger, and that further strong measures were necessary to contain those opposed to its aims. Rumours were rife of an impending *coup* of officers of the 'tough line',

virtually incited to this by Lacerda himself, who held forth for ninety minutes in a *Gaullesque* press conference, accusing Castelo Branco of deceiving the army and betraying the *Revolução*.

But the President had repeatedly guaranteed the investiture of those elected. He could not give in to his disgruntled fellow-officers and cancel the election of the victorious anti-Government candidates, without destroying once and for all his image as an honourable and dependable man. On the other hand, he also could not simply ignore the real power of the military. So in a characteristic effort to have it both ways he left the Governors-elect untouched, but sent a number of tough Bills to Congress, with which he hoped to placate the officers. The Bills, later incorporated into the Institutional Act No. 2, proposed to enlarge the circumstances allowing Federal intervention in the states, extend the competence of the military courts, and impose restrictions on the removed old guard politicians.

Congress, however, retained its formal autonomy, and most observers predicted a narrow defeat for the Government. Manipulation and blackmail of the members of Congress (never far below the surface since the *coup* of April 1964) reached hitherto unattained proportions. Ministers and generals declared openly that the defeat of the measures would be intolerable: in that case, the Government would take, by means of further 'revolutionary' action, the extra powers which Congress would not concede of its own free will—and many others besides. This is what eventually happened. Late on 26 October the defeat of the Government by a few votes appeared certain. Without waiting for the vote the President proclaimed the next morning the Institutional Act No. 2.

The immediate future

The Government has declared that it will use its new powers with the greatest circumspection. But a situation of this nature has its own inherent dynamic, which points to a virtually certain anti-democratic radicalization of the country. A creeping process of heavy-handed government intervention in the country's life seems to have set in already. The editors of newspapers have been told to apply self-censorship on matter hostile to the Government, in order to avoid the need for more drastic measures. Radio and television are under stricter supervision. Civil servants, including all teachers and academic research personnel, who may now be summarily dismissed for 'demonstrating incompatibility with the objectives of the *Revolução*', are nervously awaiting what this will mean in practice. Journalists who have attacked the Government are expecting to see their names on the next list of *cassados*—people whose political rights have been suspended—which would automatically bar them from expressing themselves in print.

All citizens have been requested to denounce to the authorities any

political activity or manifestation of a *cassado*, and although most Brazilians are unlikely to take much notice of this, it does constitute an open incitement to the minority of busybodies who, under the guise of anti-Communism, would only too gladly engage in a widespread witch-hunt. The widened powers of the military to try crimes against the security of the State are a potential menace in the hands of extremists of middle rank, and the new situation has given a great boost to the recently languishing military-political inquiries, in which colonels and majors of solid ideological convictions probe into a citizen's subversive past or doubtful present.[2] And all this, it seems, is only the beginning.

The military

The military are not one monolithic group, solid in their political positions and united in their interpretation of the present juncture in the country's evolution. Those officers who were openly left-wing, vocal sympathizers and supporters of Goulart have been removed following the *coup* of 1964. The remainder support the *Revolução*, though in differing degrees.

The military academies, where the opinions of new entrants are formed and those of officers of middle rank reformed, are strongholds of the Western (read American) oriented officers, middle-aged men who have often received part of their training in the United States. One of the most deep-seated sets of convictions resulting from these contacts clusters around anti-Communism, and leads to an interpretation of their own 'historical mission' in cold-war, anti-subversion, even anti-guerrilla terms. It is in this context that one must see a rationale for Brazil's military efforts which seems to have been emerging recently, namely, that of a policing role in the Southern hemisphere on behalf of the United States. Thus Latin America's greatest nation would actively share the burden of preventing the subversion of the continent's historic 'Christian and free institutions' by 'international Communism'. Brazil's eager participation in the inter-American force in the Dominican Republic can be seen as the first open expression of this development, a logical extension of the role which the military have been playing so keenly within the country itself.

Many of the men who have been most intimately connected with President Castelo Branco over the past eighteen months share these feelings up to a point. But their interpretation of the legitimacy of the military's intervention in the nation's institutions is a good deal narrower than that of their 'tough line' colleagues: they have seen themselves as acting in a long-established tradition in which the army guarantees the *effective* functioning of civilian political institutions. This has implied in-

[2] See 'Brazil: reaction, reform, or standstill?' by the present writer, in *The World Today*, December 1964.

cisive surgery in these political institutions, but also a desire to return to constitutional normality as soon as possible. Even now the Castelo Branco group (many of them frustrated *tenentes*—lieutenants—of the abortive 1922 progressivist uprising) continues its efforts to keep the 'tough line' officers at bay as much as possible. The chances of their success seem small.

It is striking, however, that the 'tough line' officers do not have much of a positive programme. They want the army to play a constructive role, they are patriotic, if not nationalistic—but they have few ideas about how to achieve Brazilian greatness and no leader to point the way. After a period of full enjoyment of their tough and repressive powers, sections of this group might let go of their now obsessive and sterile anti-Communism. Today already there are those who oppose the American-oriented, coldly rational policies of Roberto Campos, the Minister of Planning. But so far they are not clear about either what or whom they want as substitutes.

The planners

The only people today in Brazil who do seem to know what they want are the technocrats working in the economic sphere. The great merit of Planning Minister Roberto Campos has been to slow down the disastrous inflationary process, which led to increases in the cost of living of 80 per cent in the last year of Goulart's Government. For 1965 the increase will be less than half that rate, and in 1966 it is hoped that it will be down to 10 per cent. This stabilization will be of great importance to the country, if only because the inflationary mentality had led to widespread unproductive speculation and the flight of capital abroad. No country can develop healthily under those circumstances.

But the Campos measures have slowed down, if not halted, the economic growth of the country. Moreover, they have been one-sided. Nothing effective has been done, so far, about the country's agrarian problems, neither from the point of view of bettering the lot of the millions of scandalously exploited peasants, nor from the point of view of raising the productivity of agriculture, low everywhere outside the sectors producing for export. The opposition has been quite right in remarking that Campos's measures help the rich and hurt the poor, and it is ingenuous to argue, against this, that they are necessary to ensure a better life for all in the long run. In the past eighteen months the Government has shown no sign that it is interested in accommodating the claims of the submerged half of the population, even to the limited extent consistent with its policies, nor, really, that it accepts the legitimacy of these claims.

The technocrats are only mildly interested in the anti-Communist antics of the 'tough line' military, but they do share their admiration for the United States. The opposition's allegation that Roberto Campos is

selling out to the Americans poses complex problems. No one can deny that capital has to be infused on a large scale into Brazil's economy. Short of inducing inflation (probably inevitable to some extent), most of this money has to come from abroad. It is undeniable that the unimaginative nationalist measures of the Goulart Government did little to help the country. But with present policies, so remark those on the Left, the kind of social and economic structures which Brazil will have in the future will be shaped not by political decisions taken by Brazilians, but in the board-rooms of large companies abroad. The alternative policies which they propose may often be doctrinaire, but the point *per se* merits sympathetic understanding. The unrestrained admiration of the Minister of Planning for the United States and her social and economic system can do much harm when translated into policies for a country where half the population is still illiterate, where perhaps a third still lives in degrading near-feudal conditions, and where massive economic and political intervention is necessary to break the power of the bosses in the backlands, to lead a truly large-scale assault on the educational problems, and to construct a viable agrarian structure and industrial plant capable of meeting the needs of the country according to a rational order of priorities.

The political parties

In a democracy the formulation of programmes to cope with problems such as these falls to the political parties. Brazil's hitherto existing parties were abolished with one stroke by the Institutional Act No. 2. The Government, however, has proceeded with great haste to draw up new norms for the functioning of re-born political parties in the country, which will do little more than eliminate the smaller parties while preserving with little change the character and power of the formerly most important parties, the UDN, PSD, and PTB. One of the likely new parties, integrating the bulk of the old UDN, some of the smaller parties, and dissidents from the old PSD and PTB, is supposed to supply the Government with absolutely sure and lasting support. The second, based mainly upon what is left—after further 'cassations'—of the old PTB, would play the part of loyal opposition. A third, ex-PSD, might continue to float in and out of the area of government support. Old coffee in new cups. One cannot simply legislate new parties into existence, regroup the sitting members of Congress, and expect to see a miraculous transformation of the old political *mores*. These, it is true, did not contribute much to make the patterns of the political process of Brazil genuinely democratic—patterns which were, and will continue to be, part and parcel of a social structure which denies true political, economic, and social citizenship to a large part of its members.

At this stage, one cannot expect that the political parties will be called to play an important role in Brazil in the next few years. Goulart tried to

appeal to the masses over the heads of reluctant Congressmen—he was removed by the military and conservative civilian forces. Castelo Branco tried to cajole the elected representatives into accepting his own interpretation of Brazil's needs—his success went no further than a tightening of the tax system and a Campos-engineered financial stabilization, and he was rebuffed at the polls and by Congress. He is still fighting, however. On 13 November he devalued the cruzeiro by 20 per cent and promised a large-scale infusion of public funds into the economy. But past experience leads to some scepticism about the outcome of such promising plans. Moreover, the 'tough line' is far from eclipsed. The 'tough line' military would like to see all this concern with legalistic civilian susceptibilities pushed aside completely. They have flexed their muscles and have got their way—in part. The concessions have still left them at the margins of power. It is unlikely that they will be content to remain there for very long.

President Johnson's great consensus

NANCY BALFOUR

AT the end of his first year in the White House as President elected in his own right, Mr Johnson is as high on the crest of the political wave as he was at the beginning of it—and no American has ever been higher than that. The first session of the Eighty-ninth Congress, which ended late in October, gave him practically everything he asked for—in some cases more than he asked for. His few rebuffs came at the end of the session, partly perhaps because he was incapacitated—somewhat—after an operation and not able to reason with the legislators in his normal persuasive fashion, but mainly because Congressmen were determined to go home. They felt that they had been kept in Washington too long—ten months, almost a record session—that they had done more than enough work, and that it was essential to renew contact with their constituents before the next session began in January.

Moreover, the measures that failed to win approval were those which did not command that consensus of support from all sections of the community on which President Johnson himself puts so much emphasis: the most important failures were self-government for the District of Colum-

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bia and labour legislation in fulfilment of election promises to the trade unions. It was just because such a consensus had been built up in favour of social programmes, in which the United States has lagged behind the rest of the world, that this Congress passed a mass of welfare legislation which rivalled in its importance and scope the great leap forward of the New Deal thirty years ago. Indeed, this year has completed, or at least has put up the framework within which it will be possible to complete, the modernization of America's social structure that was begun so imaginatively under President Roosevelt, but that has been held up ever since, first by the second World War and its aftermath, then by the self-satisfaction of the Eisenhower era.

The achievement is almost as much Mr Goldwater's as it is Mr Johnson's. By attacking the whole philosophy of governmental intervention on behalf of the private citizen, the Republican candidate in last year's Presidential election gave voters of all classes a chance to show how wholeheartedly they had come to approve of such intervention. And their wholeheartedness extended not just to President Johnson himself, but to his long string of Democratic candidates. So this year's Congress has had not just a huge majority of Democrats but a majority of progressive Democrats, able to vote down the old coalition of conservatives from both parties which had dominated Congress for so long but which has shown hardly any signs of life this year. Changes in the rules of the House of Representatives undermined the power of the conservative minority to delay and obstruct progressive Bills there. The perennial attempt to prevent such a minority talking legislation to death in the Senate failed, but this year showed again, as last year had already done, that the Senate is no longer prepared to let civil rights legislation be frustrated by such tactics. The Republican Party's desire—or the desire of at least part of the Republican Party—to get back into the mainstream of American political life, after the Goldwater disaster, was nowhere clearer than in Congress, particularly in the Senate, where Mr Johnson owed a good deal of his success to the co-operation of his old friend, Mr Dirksen, the leader of the Republican minority.

Modernizing the social structure

All through the 1950s such matters as federal money for publicly financed schools (until now dependent on state and local funds), aid for colleges and for their students, and help for old people (an increasingly large section of the population), particularly in the form of health insurance, had been debated in Congress and out of it. But little was done until this year. Then suddenly the debate was over, the need was accepted, the obstacles faded, and the legislation was passed. Another group of Bills approved at this session, designed to keep today's urbanized America fit to live in, dealt with the supply of water and its purity, with air pollution,

with the preservation of natural beauty and of space for recreation (although here much remains to be done), with passenger transport services, and with the renewal of cities and the planning of suburbs. The final important section of this year's enormous parcel of legislation continued work done earlier in the fields of civil rights for Negroes—with the Bill which should make it impossible for Southern states to keep Negroes from voting—and of the war on poverty—in particular with a $1,000 m. scheme for rehabilitating the depressed Appalachian region.

From the point of view of the Negro, the poverty programme is as important, practically even if not morally, as the civil rights programme. Designed to break the vicious cycle of chronic unemployment, the boil which America's present apparently permanent prosperity has brought to the surface, the manifold schemes which comprise this programme nearly all have the common purpose of preventing the ignorance, incompetence, and discouragement which condemn parents to poverty being perpetuated in their children. A large proportion of the poor are Negroes, but they are caught in another vicious cycle as well—that of illegitimacy, fatherlessness, irresponsibility, and violence, the lack of family life and of participation in the community, of which the riots in Los Angeles last summer gave such shocking evidence. Maybe the poverty programme can give Negroes social equality as the civil rights legislation has given them legal equality, but few people feel confident about this.

Critics of the year-old poverty programme have already underlined the importance and the difficulty of the next stage of President Johnson's Great Society. The 1966 session of Congress will be a period of consolidation rather than of innovation—and of preparation for next autumn's Congressional elections. Congress has provided the legislation, now it must be implemented. How this is to be done will be much more controversial than was the legislation itself, at least in its last stages. It will take years, indeed decades, to bring to completion what has been started this year. Enormous new responsibilities have been given to the Government in Washington and it will need new organizations to handle them; the Office of Economic Opportunity and the new Department of Urban Development are only a beginning. But at the level of state and local governments, the new responsibilities are even greater and here the ability to shoulder them is frequently much less.

Already in this autumn's municipal elections in New York and Philadelphia the voters have turned out Democratic officials who have failed to show imagination and drive in coping with urban problems. The Republicans will profit from this lesson. They will also use the opportunities which they will be offered by the corruption and waste which are almost inevitable when money is being handed out urgently to politicians who are not necessarily equipped to handle large sums. How large the

sums will be to start with, however, is not yet known. These Great Society programmes are of a type which builds up over the years and the initial appropriations are not lavish. Moreover, the President will want to keep them as low as possible in the coming year—although not so low that he jeopardizes Democratic chances in the November elections—because of the strain which the stepped-up war in Vietnam is now putting on the economy.

Economy under strain

When the increased American military effort in South East Asia was announced in the late summer, it looked like the answer to the economic managers' prayers, just what they needed to keep the expansion going into an unprecedented fifth year, to prove that they really had found the secret of continuous growth. The impact of the additional military outlays—probably about $10,000 m. during the year—would come just when it seemed that the economy would be needing another stimulus. But in the last few weeks—in part, at least, as a result of the psychological reaction of businessmen to this optimism—a danger of over-stimulation appears to have developed. Industrial capacity is almost fully employed, and so is the skilled labour force, leaving little or no cushion against inflationary pressures; until now these have been remarkable only for their failure to develop during the present boom. Thus in early November President Johnson felt himself obliged to crack down sharply on aluminium producers who put up their prices, not so much because of the effect of these particular increases but because he wanted to deter other businessmen from following suit and setting off an upward spiral.

So far one of the most unexpected things about Mr Johnson's consensus has been that it has extended even to his remarkably sophisticated economic policy. Rather surprisingly, his high-handedness over aluminium does not seem to have damaged his good relations with the business community. Businessmen respect those who know how to use power. This Mr Johnson certainly does, and no one has more power than the President of the United States. Because he uses it so effectively he is admired everywhere in Washington—by Congressmen, by officials, by the press—but liked by hardly anyone. Earlier this year there was much criticism, both of some of the advisers he chose and of the appointments he made—or did not make. But since Mr Bill Moyers became his press secretary, Mr Johnson's relations with newspapermen have improved greatly (although he still tends to be over-secretive) and his recent appointments have shown real flair, not only for picking men but also for persuading (forcing might be an apter word) them to take the jobs.

Perhaps the most interesting of these appointments, and one where no force appears to have been needed, was the transference of Mr Arthur Goldberg from the Supreme Court to the leadership of the U.S. delega-

tion to the United Nations, a job which carries Cabinet membership with it. Mr Goldberg's experience has been as a trade-union negotiator and it is reported that he is using that experience to the full behind the scenes at the United Nations, bringing pressure to bear on delegates with the same clever, sympathetic, irresistible methods that President Johnson applies to members of Congress. This suggests, as did the choice of a Supreme Court Justice in itself (no office carries higher prestige in the United States), that Mr Johnson is planning a new approach to the United Nations, or at least that he intends to approach it more often.

Time to look abroad

Indeed, he can no longer avoid involving himself in foreign policy as he has done up to now, partly because he felt in general that America's neglected domestic problems were more immediate, partly because he wanted to safeguard his political and economic base at home, and partly because he needed time to study international affairs. He has therefore taken a personal hand in developments abroad only when he could not avoid it—or thought he could not. And when he has done so, he has acted with a lack of subtlety which is somewhat ominous, as has been his refusal to countenance any criticism, or much discussion, of his actions in Congress or in the country. Yet as domestic policy has become less controversial, foreign policy has become more so.

Mr Johnson's intervention in the Dominican Republic is the obvious example. It is difficult to see what alternatives he had in Vietnam, given that the United States had been committed there by his predecessors; Vietnam is the one foreign problem to which he has obviously given really serious consideration, even though he has not solved it. Tact does not seem to come naturally to Mr Johnson when dealing with foreigners—witness his relations with Mr Shastri and President Ayub—but he is a highly intelligent and very hard-working man. Contrary to some suggestions, he is able to master the most complex matter quickly and completely once he puts his mind to it. And this is what he is presumed to have been doing recently during his enforced convalescence in Texas. Europe may well be the testing-ground for President Johnson's abilities as a statesman, but he is not one to face difficulties until they are forced on him. He is quite prepared to leave General de Gaulle alone—and the Russians too—until there is some prospect of constructive negotiations. Meanwhile, he trusts his Secretary of State to keep channels of communication open. Where Britain is concerned, it has been suggested that he would like rather more concrete commitments than he has been getting lately—a token force in Vietnam, for instance.

One problem that has been forced on Mr Johnson is that of the deteriorating American balance of payments and, as a result, that of international liquidity in general. So far Mr Johnson's good relations

with businessmen have meant that only so-called 'voluntary' controls on capital exports have been needed. And so far he has been able to resist the pressures from bankers for higher interest rates to lessen the drain on the American capital market. He and his advisers fear that any serious tightening of credit would check the boom (but now that it appears to need checking, their resistance may weaken). High interest rates are anathema to Democrats in the populist tradition—Mr Johnson is one of these—to whom cheap money is a matter of principle. This belief that prosperity depends on a plentiful supply of credit—a tenet which presumably can be applied to international as well as domestic prosperity—explains why it has been comparatively easy to attract Mr Johnson's attention to plans, or at least to studies of plans, for increasing the world's supply of money.

Another tenet of his domestic faith, which can also be applied abroad, is that no one should starve. One of his achievements in this Congress has been the passage of agricultural legislation which puts on a fairly permanent and a fairly promising basis the long-standing efforts to cut back American farm output and thus to stop surplus crops piling up. But those surpluses have become an integral and important part of the foreign-aid programme and an essential part of the food supply of many under-developed countries, notably India. Mr Johnson should be sympathetic towards ideas for substitutes. The Food for Peace legislation expires next year and its renewal may be linked with that reconsideration of the whole foreign-aid programme which Congress has pledged itself to undertake—and which it really seems likely to undertake this time.

President Johnson has shown interest in the export drive, an essential part of the effort to control the deficit in the balance of payments. In particular, he is obviously anxious to encourage trade with Eastern Europe, although this is more important from the point of view of propaganda than from that of earning dollars. At the moment no one in the White House appears to be much concerned with the broader aspects of trade policy but soon they will have to be. Tariff-reduction powers under President Kennedy's Trade Expansion Act run out in 1967, and present indications are that little or nothing will have been achieved through them in the way of freeing trade—and this through no fault of the United States. This would be a depressing end to a constructive measure which was received with such unexpected enthusiasm by Americans in 1962. The economic field therefore offers President Johnson plentiful opportunities for showing that he can lead the world as energetically, effectively, and imaginatively as he has led the United States. Maybe, in time, he can achieve a consensus abroad as well as at home.

Single-Party Democracy?

COLIN LEGUM

TANZANIA'S general elections in September must be reckoned among the most encouraging events in post-independence Africa. They marked the introduction of a new Constitution which deliberately seeks to enlarge the democratic content of Tanzania's political society. Because the old Constitution was producing unsatisfactory, even bad, results, Tanzania's leaders were faced with the choice of either going forward in the direction of authoritarian centralization of government, or of strengthening *opportunities* for parliamentary democracy. They chose the latter. The immediate impact of electoral reforms has been salutary. But it is obviously going to take some time before the country can fully ingest the lessons relearnt from the application of two democratic principles: the right to vote *and* the voters' right to hold the elected representatives accountable for their actions. In theory both these rights existed in Tanzania's old Constitution—as they do in many African, Asian, and Middle Eastern countries. But, in fact, neither right could be effectively operated.

The grand principle of 'one man one vote' had become meaningless because there were few contested elections in which to exercise the vote. Once a candidate had obtained the nomination of the ruling Tanganyika African National Union (TANU), it was pointless to oppose him; the result was a long series of unopposed returns in national and local government elections. And without contested elections, or the opportunity within the party machinery to challenge the incumbent in office, there was no way of making him accountable to the people.

This basically undemocratic position was one of the three factors which caused TANU's leadership in January 1963 to consider constitutional reforms as a matter of urgency. A second factor was the difficulties arising from the imbalance between the institutional power of the Party (TANU) and Parliament (the National Assembly). As the instrument of independence TANU is looked upon by most voters as the source of real power, while the National Assembly has in the past been regarded more or less as the relic of the old colonial 'Legco.' The practical result was that the Cabinet was compelled to work mainly through TANU, while Parliament became a rubber stamp. A third factor was the creation in April 1964 of the Union between Tanganyika and Zanzibar which raised the problem of the two separate parties—TANU and the Afro-Shirazi

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Party (ASP). This third factor, however, served to increase the urgency of constitutional reforms.

The decision by the TANU Executive to convert the country into 'a democratic One-Party State' was referred to a Presidential Commission in January 1964. The Commission reported in April 1965 and a new interim Constitution for Tanzania (Act 43 of 1965) was passed on 5 July. This Act provides, *inter alia*, for a uniquely different electoral system both for the National Assembly and for the President, and it treats the Party as an institutionalized organ of the State subject to the same controls and scrutiny as the Cabinet, Parliament, or the civil service. The respective functions of these institutions are defined. Where the new constitutional reforms have failed, so far, is to merge TANU and the ASP and to extend the electoral system to Zanzibar and Pemba, except in the case of the voting for President.

The theory behind the constitutional reforms, though interesting, is less important than the practical application of the measures to ensure effective democratic participation in the government of the country. Last September's elections provided the first test for the claim that a Single-Party State can become democratic. The present article is not concerned with the ideological and theoretical arguments about so-called Democratic One-Party States but with the practical implementation of proposals to ensure fair elections and to provide effective opportunities for the electorate to change its representatives and, if necessary, its Government by constitutional methods. The architects of Tanzania's Constitution claim that this is possible under the new Constitution. To what extent do the September elections justify this claim, and what are likely to be the effects inside and outside Tanzania of this radical experiment?

TANU remains the only party in Tanganyika through which it is possible to operate the democratic processes offered to the citizens. But since over 80 per cent of Tanzanians are Party members and since TANU (unlike the Communist Parties) is not an exclusive party and seeks to achieve complete inclusiveness through voluntary membership of all citizens, this limitation is not a serious one at the present stage of the country's development. Moreover, although all candidates must be TANU members, the right to vote is open to all citizens.

The first stage in Tanzania's electoral system is the selection of candidates. While there is no limitation to the number who may offer themselves, in the end only two candidates are allowed to compete in each of the 107 constituencies. The Presidential Commission had, in fact, recommended three but this was changed by the Government on the ground that a minority candidate might be elected as a result of vote-splitting. Any Party member who obtains merely twenty-five signatories is entitled to offer himself as a candidate. Some constituencies produced up to twenty-six nominations in the first round. Unlike previous elec-

tions, those in September produced only six unopposed returns—all of them senior Ministers, including Mr Rashidi Kawawa, the second Vice-President, and Mr Oscar Kambona, the then Foreign Secretary and now Minister for Regional Government. In the remaining 101 constituencies the process of fining down the number of competitors to only two was carried out under elaborate constitutional procedures and safeguards.

There is only one point at which this process is not subject to full public scrutiny, and this no doubt will be rectified: it comes in the first stage when all local nominations are sent to the Electoral Officer in Dar es Salaam to ensure that the candidates are citizens, or are not otherwise debarred from standing. In the second stage, each constituency holds a Special Annual Conference of TANU delegates, consisting of members from each local branch; their numbers vary from 40 to 150. Before them appear all the local candidates with a chance to plead their case and to answer questions. The Conference then proceeds by secret voting to place the candidates in the local order of preference. These preferences are published in the national press, so that everyone may know the local preferences before they enter the third stage for review by TANU's National Executive.

The final choice of the two candidates to go forward to the elections lies with the Executive; but it is committed to accepting the two top local preferences unless a majority of the Executive is persuaded that either of the local favourites is unfit for public office (for reasons other than those laid down in the Electoral Law), or has in other ways not proved himself to be a satisfactory TANU supporter. In theory these wide discretionary powers could be used by TANU's Executive to ensure a safe 'party ticket'; but this would open up internal conflicts with the Party's local organizations which are militantly protective of their parochial interests. In the September elections, the Executive, in fact, overrode local preferences in the case of only 17 of the 202 top preferences. Half a dozen of these were rejected because of a past record of misappropriating Party or co-operative society funds—apparently not a very grave offence in a parochial setting; the rest were rejected because they were not good Party supporters. In each case the objectors had to convince the Executive, as in a court of law, of the reasons for changing a local decision: and a great deal of time was spent in coming to final decisions. If the first or second choice is displaced, the procedure requires the next in order of preference to be moved up; no candidate can be raised out of order. Thus in the case of a former Minister, now Ambassador, Mr George Kahama, his local preference was third; but as there was no valid objection to the first two in his constituency, he was overlooked despite his being the sitting member and in good standing with the Party. The same happened in the case of two junior Ministers and a number of sitting M.P.s and pioneer Party leaders. Incidentally, one of the candidates rejected as not

being a satisfactory Party member was the editor of a militant left-wing magazine.

Among the checks preventing TANU's Executive from overriding local preferences is its size (over fifty members), which can prevent the fifteen-strong Central Committee from exercising an undue influence: this also prevents domination by any sectional group within the Party. From the stage when the candidates are finally adopted, the opportunities for them to secure election are probably fairer than under any electoral system in the world. This is a bold statement; but let us look at the facts.

None of the candidates is entitled to claim that he has the support of the President, the State, or the Party—not even if he is a Minister or a high Party official. In the eyes of the President and the Party all candidates are equal. Dr Nyerere gave no support in the September elections to any of the contestants, although he must, at times, have itched to do so—especially when his Minister of Finance, Paul Bomani, was going down to defeat. This rule hit Ministers hardest because they had to defend their part in official policy (including such things as higher taxes, single-channel marketing—highly unpopular in certain areas—and lack of education and schooling) without being able to invoke the name of the President or the State in their own support. No candidate is allowed to spend personal funds in the election; the Party provides all the facilities for an election campaign. The candidates must appear together at all meetings which are arranged by the Party; they alternate in speaking first. They must travel from meeting to meeting in the same car, again provided by the Party. Their printed election appeal is confined to a single manifesto (produced by the Party) in which each candidate is allowed a page to state his qualifications in any terms he chooses.

To ensure observance of these strict rules and impartiality, three Election Supervisors are drafted into each constituency; their role is crucial in the successful working of Tanzania's election system. The Supervisors are not local people: they are brought in from constituencies as distant as possible from the one they are to supervise so that they can have no local axe to grind. They first come into play right at the start of the electoral process when the Constituency Annual Conference meets to decide its order of preferences. In the election campaign itself they attend all meetings to ensure that none of the rules is broken. If a candidate as much as implies that he enjoys the special favours of the Party or the President while addressing a meeting he is pulled up by the Supervisors. Nor are candidates allowed to exploit racial, tribal, or religious issues. This, however, did not always prove so easy to control. In Arusha Central, where one of the candidates was playing for the Muslim vote, he ostentatiously quoted from the Koran. In Dar es Salaam Central, the winning candidate would cry out: 'Who would accuse us Wazaramo of tribalism? Were we not the first to support Nyerere and TANU when the Party

started?' And so on. His opponent, needless to say, was not of the Wazaramo, which is the dominant tribe in the constituency. None of the candidates the present writer spoke to had serious complaints about the conduct of the elections; and all spoke enthusiastically about the role of the Supervisors.

Although all the candidates were TANU men, they were at complete liberty to canvass any policy they desired—whether in the field of foreign or local affairs. They were free to attack any aspect of Government policy—and they did. But the elections really turned on local issues—lack of schooling, housing, clinics, and transport; complaints about rising prices; criticism of the running of the co-operatives and of marketing policies. The newcomers attacked the incumbents for neglecting their constituencies; the incumbents stressed the value of their past experience.

Resentment about the arrogance of some Ministers and senior Party officials was strong and widespread. If for nothing else, the average voter welcomed the elections as an opportunity 'to remind our politicians that it is the people who put them there'. Invariably the comparison was drawn between the modesty of Mwalimu (Dr Nyerere) and some of his Ministers. There was not (as there is now in Nigeria) talk about 'the new political class'; the talk was of 'a new tribe—the tribe of *WaBenz*'. This is a reference to the Mercédès-Benz car, the status symbol of successful East African politicians.

The elections brought about the defeat of two Ministers, two former Ministers, six prominent junior Ministers, a dozen important holders of public office, and other Party stalwarts. In addition, the majorities of a number of Ministers were cut to the slenderest of margins. This was by no means a massacre of the *WaBenz*; but it was a healthy reminder of where power lies under the new Constitution. Its real effect has been to restore power into the hands of the electorate. On the showing of the elections there was, in fact, nothing which would have prevented the defeat of the old Government. To this extent the reforms have been both successful and vitally important.

Another significant result was the anxiously sought confirmation of the idea that non-racial politics can work in Africa under the right kind of leadership. The European Minister of Health, Mr Derek Bryceson, secured 37,776 votes against his African opponent's 7,730 votes in a mainly African constituency in Dar es Salaam; and the Asian Minister of Economic Development (now Minister of Finance), Mr Amir Jamal, won a rural constituency by almost 2,000 votes against a formidable African opponent. Two other Asians defeated African opponents.

The system for the election of President, however, is much less satisfactory than that for Parliament, and harder to explain except in local terms. It provides for the selection of only one Presidential candidate by a joint conference of both TANU and ASP. The candidate they select is

offered as their recommendation for endorsement or rejection by the electorate. If a majority were to vote against the nomination of the two parties, they would have to meet again to select another candidate. Dr Nyerere explained the reasons for this method in a pre-election broadcast on 10 September:

> If the Parties have not chosen according to your wishes then they are out of touch with the people as a whole, and this would be very bad. But it is important that everyone should understand that the President of this country is the people's President, chosen by them and responsible to them for his actions. Therefore the people have, and must have, absolute freedom to vote for or against the man who is put forward by the two Parties.

It is possible to see how both the selection and election procedures can work so long as Tanzania has a leader who is as widely acceptable as is Dr Nyerere. But it is much harder to see how this method could produce stability in the event of two fairly evenly balanced opponents presenting themselves for selection in a difficult political situation. President Nyerere's comment on this criticism is that it is not possible 'at one go' to take care of all eventualities. The reply to this is that it is desirable, while there is a person of Dr Nyerere's authority, to take advantage of the present stability in order to diminish the risks of instability when there is no overwhelmingly popular candidate to lead the nation.

What are the conclusions to be drawn from Tanzania's elections? So far as Tanganyika is concerned, they succeeded better than most people would have dared to hope in reasserting the principle of accountability to the people and in restoring the validity of the universal franchise. But they did not do the same for Zanzibar—the other wing of the Union. The Revolutionary Council refused point blank to return to a system of elections at this stage. After considerable persuasion they did, however, accept the principle of voting for the President. One of the reasons for their reluctance was the fear that the opponents of the Revolutionary Council would be able to express their discontent by voting against the President. Although this did happen in one or two areas, especially in Pemba, the malcontents in Zanzibar in fact voted for Dr Nyerere because they see in him their best hope of restoring constitutionality.

From personal observations, it seemed clear that there was no coercion of the voters in Zanzibar; nor could there have been much in Pemba, since those who wanted to vote against the President did so. The fact of any elections at all being held in Zanzibar was an important step. Wherever the present writer went, he heard voters saying that they hoped this was only a first step towards elections in the island for their own representatives. These views came strongly from supporters of the Revolution. While they are not against the Revolution, they are against individual members of the Revolutionary Council—though not against Mzee Abeid

Karume, Zanzibar's President,[1] whose personal popularity and authority remain exceptionally high. He undoubtedly has it in his power to decide the future of Zanzibar. He remains firmly committed to Union and to the policies of Dr Nyerere. Sooner or later he will be compelled by the unpopularity of a number of his colleagues to make changes. Nor should he have any difficulty in doing so provided he does not wait until the still unfulfilled promises of the Revolution have soured his supporters.

Now that Parliament has been reformed and made fully representative, it is obviously in a better position to exercise its defined functions. Both the Cabinet and the Party will have to adapt themselves to this new situation. Several questions arise. Will the new M.P.s continue to act as individuals, or will they, as in other Parliaments, seek to band together in caucuses? President Nyerere has already said that there is to be no system of Whips. He has further promised that apart from exceptional matters—such as the Budget—there will be no restriction placed on the right of M.P.s to speak or vote against government measures. The next stage in the struggle for the establishment of democratic practices will therefore move from the constituencies to the forum of Parliament. This is a lively prospect. How it works out will be of decisive importance in showing whether democracy can, in fact, burgeon inside a One-Party State.

The Tanzanian experiment in democratic elections will undoubtedly frighten the political class in power in some African States, since they showed that, given a chance, African voters are anxious to remind their new political masters that the people are still around. But, at the same time, they showed that the African electorate is capable of using its power responsibly. The electorate did not run amok in Tanzania. In most cases it showed considerable discretion in using its vote. But there is little doubt that, at least on Tanzania's showing, a number of African Governments would be swept from power if they dared to go as far as TANU has gone.

Tanzania's experiment has probably saved the Republic from getting into the situation where its leadership would not have been able to risk popular reforms. Most African countries are still in the position where they could profitably adapt Tanzania's methods to their own needs in order to restore meaning to their elections and to provide their Single-Party States with the democratic checks and balances without which they will—for all the brave words about 'democratic centralism'—end up as authoritarian States in which power can change only through violent and unconstitutional methods. Nigeria, for example, though not a Single-Party State, could benefit greatly by learning from Tanzania; the recent ludicrous elections in the Western Region made it clear that the present system has been robbed of its democratic content. There is no

[1] Under the Tanzania Constitution, Mr Karume is the first Vice-President of the Republic but operates under the style of President of Zanzibar.

need, however, for Nigerians either to accept the corruption of the electoral system or to abandon faith in democracy in order to put their house in order again.

Tanzania has shown that it is possible for constitutional reforms to be undertaken which, while assuring the retention of effective central authority, still permit the growth of democratic practices and habits. She has also demonstrated that with the right kind of leadership there is a way of developing non-racial societies in African countries which have small European or Asian minorities.

The new Spanish Ministers and the OECD

RICHARD COMYNS CARR

IN July of this year General Franco made several changes in his Cabinet. They were almost entirely confined to the economic Ministries. The Ministers of Trade and of Finance, who between them have been mainly responsible for carrying out Spain's present economic policy, were replaced; so also were the Ministers of Agriculture and Public Works. The Commissioner for the Development Plan, Señor Lopez Rodó, was given Cabinet rank as Minister without Portfolio. But even from the economic point of view the reshuffle signified not a change of present policy, but an administrative measure well designed to consolidate it. Señor Ullastres, the Minister of Trade, and Señor Navarro Rubio, the Minister of Finance, were both due for a move; they had carried a heavy burden for a number of years and had also become the scapegoats of popular opinion because of the rise in prices. They were not moved far from the direction of policy, however. Señor Ullastres, the main champion of Spain's integration with Europe, has become Ambassador to the Common Market, and Señor Navarro Rubio now occupies the key position of Governor of the Bank of Spain. Their successors, Señor Faustino Garcia-Moncó at the Ministry of Trade and Señor José Espinosa at the Ministry of Finance, were their right-hand men in their departments and are convinced supporters of their policies. The elevation of Señor Lopez Rodó is further proof that General Franco is determined to make a success

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of the Development Plan. As for the change at the Ministryof Agriculture, it is probably an instance of the practice of most governments of changing the Minister when things go wrong—and they have gone badly wrong with Spanish agriculture. How the new Minister, Señor Adolfo Diaz-Ambrona, will manage to cope with this difficult problem remains to be seen. The reasons for the appointment of a new Minister of Public Works, Señor Federico Silva, are not known, though they may be connected with the extreme slowness in carrying out major projects such as the east coastal 'autopista' to the French frontier, which was given priority by Spain's World Bank advisers, but has suffered delays that have become a Spanish newspaper joke.

The only one of the Cabinet changes that can be called political was that at the Ministry of Justice, and some political significance is read into this because the new Minister, Señor Antonio Maria de Oriol, is known to be Right-wing and a friend and supporter of the Minister of the Interior, General Camilo Alonso Vega, who is regarded as the pillar of reaction in Franco's Cabinet. The changes have, in fact, made no difference to the balance of forces in the Cabinet between progress and reaction except perhaps for a greater insistance on the maintenance of order and the defence of the system, and, within this framework, on a more efficient prosecution of the Development Plan, with a closer co-ordination between departments. It is widely rumoured that this partial reshuffle will be completed in the coming months by further changes of real political significance. The names of two Ministers whose removal was previously expected are still being canvassed: one is that of the Minister of Education, in view of the student troubles this year, and the other is that of the Minister of the Interior himself. If the latter went, it might indeed indicate a new line and a step towards meeting criticism abroad, and particularly in the Common Market countries, of the present Spanish regime. But all this is only well-informed rumour.

The prospect of economic and social development, such as is certainly taking place in Spain, protected by a well-established dictatorship, has its attractions—for foreign investors and for many Spaniards. And it may be possible to realize it for a number of years to come. General Franco has obviously aged, but he may well be far from the end of his tether. The forces of order—the army and police—are solidly behind him and could suppress any attempt at insurrection. But such a system depends on orders from the top. Franco, despite good health which has belied many reports, might die at any time, and the problem of his succession, which worries many of his close supporters and all those thinking Spaniards who do not want to see another upheaval, has still not been solved.

Moreover, there are no dictatorships immune from social change and the spread of new ideas and, to do General Franco justice, however rigid

his political system, his economic policy has done much to make Spain a dynamic country, mainly since 1959 and through trade liberalization, but also in the 1950s, when an industrial potential was built up at the cost of inflation. The result has been seen in widespread illegal strikes and the spread of student agitation, the latter ostensibly and primarily for student rights but also inspired by ideas of civil liberty. At the moment, workers are withholding demands owing to the industrial situation; the student agitation, however, is already reviving and there are evident signs that the Government is preparing measures to meet it. There is undoubtedly a social ferment which, though only partly political and much less revolutionary, is bound to make a political impact.

The momentary stability of the regime, which may be prolonged further, combined with these elements of doubt and unpredictable motive forces, makes it difficult to forecast Spain's political future in the next few years or even the coming year. The economic future, although beset with problems, is more hopeful. It is also easier to analyse, partly because there is much fuller information and freer discussion about economics than about politics and partly because the Government's policy in this field has been declared officially and verified by experience. In order to stabilize the peseta in 1959 and avoid financial disaster, the Government was forced to appeal to international finance and agree to carry out the reforms recommended by the World Bank and the Organization for Economic Co-operation and Development—amounting briefly to liberalization of industry and trade, particularly foreign trade; encouragement of foreign investment; the regularization of State and para-statal accounting and the reform of taxation; improvement of the structural basis, particularly as regards roads, railways, and harbours; and a plan for national development, with an emphasis on industrial expansion. The two international bodies have kept a close watch on progress; but the Spanish Government seems in any case to have co-operated readily, despite shocks to the economy and protests from the public and special sectors. The resistance of the para-statal agencies and also of government departments, with their tradition of obstruction and restrictive practices, has certainly not been overcome; but generally there are signs of a good understanding between the Spanish Ministers and their international advisers.

In August the OECD published its annual report on the Spanish economy. In contrast with some of its other reports on national economies, for example on that of Britain, it was complimentary. It acknowledged that 1964 and the first part of the present year showed a substantial increase in production, industrial investment, and consumption. It was also optimistic about the future, declaring that Spain's economic development of recent years was solidly based and had every chance of continuing if the Government followed a sound policy. At the same time, it pointed

out the danger of the inflationary movement, which became most pronounced in the early months of this year and has continued since, and which could eventually undermine the whole development policy. It ascribed this movement mainly to government action last year in supporting artificially high agricultural prices and cutting down food imports, and to pressure on the building industry, the latter largely due to private demand but also to government action in the form of public works and subsidies to private building. It discounted the view, often expressed by Spanish economic observers, that it was due to a general rise in consumer demand exceeding supply and, as a factor in this, to the steep wage increases of the last few years.

The year on which the report was mainly based, 1964, was the first year of Spain's Development Plan. Its results were satisfactory in general, though uneven in regard to the particular sectors of the economy. The rise in the gross national product at constant prices is estimated by the Bank of Spain to have been in the neighbourhood of 7½ per cent. Industrial production, including that of mining, electricity, and building, rose by 11·6 per cent according to the estimates of the National Economic Council—more than double the increase indicated for the year in the Plan, which was 5½ per cent. The targets set by the Plan were achieved by most sectors of industry and surpassed by a number of the principal ones, including electricity, oil-refining, steel, cement, automobiles, paper, and nitrogenous fertilizers. The black spots in the production picture were the textile industry (undergoing a severe depression), the mining industries, and above all (despite fertilizer sales) agriculture. Agricultural output fell by 9·7 per cent, mainly owing to a sharp drop in Spain's all-important olive-oil supplies, smaller wheat and barley crops, and a shortage of vegetables, one of her staple exports. The spearhead of industrial expansion was the building industry. The number of dwellings completed during the year with financial aid from official sources amounted to 254,000, which was 92,000 more than the target set by the Development Plan. Total investment in the construction of dwellings rose by nearly 20 per cent. This was apart from the boom in other forms of building—shops, offices, factories, hotels and flats and villas to meet the tourist demand, and public works. Altogether investment in building accounted for nearly half the country's total of fixed investments during the year. Another big factor of expansion was the tourist trade, which continued its heady success with earnings of $919 m. against $679 m. the year before.

It should be realized, however, that the results of this first year, though interesting as evidence of Spain's economic progress, are not a test of the Development Plan and were, in fact, little influenced by it. The Plan is voluntary for the private sector, which means that the targets are simply estimates of what industry will achieve. It is obligatory only on the public sector, and the real planning will be seen in government action—State

investments, the channelling of private savings, measures to stimulate and direct industry, and so on. Planning as such was little felt in 1964. The Government needed more time than it had had to prepare its plans and organize the administrative machinery to carry them out, and, although public expenditure rose, government projects were delayed by the dilatoriness of departments in completing contracts. Applications were invited for the first 'polos de desarrollo', the industrial development centres that the Government is establishing in less favoured areas of the country, and evoked a surprisingly good response from industry; but there seems to be some doubt whether all the firms who obtained permits will be in a hurry to start up—many are said to have been discouraged by the lack of local communications and other facilities. Another admirable government initiative, to promote 'accion concertada'—'concerted action'—or the grouping of small and medium-sized firms to secure co-operation in manufacture and sales, had hardly begun to take practical form last year. Government intervention will play its real part in the next two years.

The year 1964 was, in fact, a continuation of the expansionary movement of the previous two years, with the special features that had accompanied it. The rate of expansion slowed down; the increase in the gross national product of 7½ per cent compared with one of 9·7 per cent in 1962 and 11·7 per cent in 1963. But expansion there certainly was. Also the inflationary tendencies that had shown themselves in the previous years, though arrested by government credit restrictions in the first half of the year, gained greater force than ever during the second half. The extent of the rise in prices is shown by the fact that, while the increase in the gross national product was 7½ per cent at constant prices, it was over 13 per cent at current prices.

The inflationary movement continued unspent during the first half of this year. The cost-of-living index in April showed a rise of nearly 17 per cent compared with April 1964. For food it was over 22½ per cent, and an estimate of the Ministry of Commerce put the increase in May for the food section, on a similar comparison, at 29½ per cent. Moreover, although the OECD did not consider that the inflation should be ascribed to an excess of demand except in respect of food and houses, the April cost-of-living figures showed a steep rise in clothing (well over 13 per cent) and a rise of nearly 8 per cent in household expenses. Certainly the impression both of the Spanish public and of financial commentators was that the rise was general and, whether or not supplies in general were sufficient to meet demand, there were powerful factors increasing the pressure on them—the rise in wages (industrial wages rose by an average of 13 per cent last year, following one of 17 per cent the year before, and farm workers' wages by 11 to 12 per cent, after a previous rise of 25 per cent); the growth of more expensive tastes among all classes, particularly the

workers, stimulated by the rapid spread of hire purchase; and, a maj factor, the spending by Spain's millions of holiday visitors and the ri in the foreign-exchange reserves as a result of the tourist traffic. Last ye the fiduciary circulation rose by nearly 18 per cent to over 147,000 n pesetas and by July this year it had risen to over 152,000 m. State ex penditure has shown a big increase—in July the Treasury had a deficit i its current account with the Bank of Spain of nearly 11,000 m. peseta three times the deficit of July last year—and it is bound to increa further, partly through government investment under the Developme Plan and partly because planning will entail an increase of department staff, while a much-needed reform of the intricate Spanish system payments to civil servants has meant the raising of salary levels.

The measures recommended by the OECD to contain the inflatic include a limit to State consumer spending and a temporary slowin down of the rate of public investment as well as a more cautious moneta and credit policy; but the OECD insists that any general restriction demand, and particularly any action calculated to halt the flow of inves ments generally, is inadvisable. What are needed are selective measur to restrain those sectors that threaten price stability at the moment, an such measures should be taken at once to avoid the necessity of a radic deflation which would interrupt the whole process of economic develo ment.

The sectors to aim at, in the OECD's view, are building costs an food prices. As regards the former, the Government should reduce i credits and subsidies for the construction of dwellings and take steps t restrain private building generally for some time to come. As regar food prices, a further rise in these would entail a rise in wages, which th time would not be met, as the OECD considers it has been met unt recently, by a corresponding increase in productivity, and inflation woul then take a more serious turn. The Government, while intervening whe necessary to protect the official minimum prices for foodstuffs, shoul increase food imports and resist any proposal to raise the guarantee prices to farmers. The only sound way to revive agriculture, says th report, is to promote greater efficiency in farming methods and th marketing of farm produce, and at the same time rapid adaptation to th changes in consumer demand that have arisen from prosperity.

The OECD insists above all on the encouragement of imports gene ally, both agricultural and industrial, by further steps in the abolition quantitative restrictions and, when necessary, by temporary tariff redu tions. This would keep down prices now and serve the long-term ai of giving Spain an open economy and making Spanish industries full competitive. The report considers that Spain's resources, owing t economic expansion, the substantial foreign-exchange reserves, and larg imports of foreign capital, are sufficient to weather both the advers

rading balance that has already resulted from freer imports and an increase in its size, and to permit temporary deficits on the overall balance of payments. There is no reason why Spanish economic expansion, as projected under the Development Plan, should mean a continuing pressure on the price level, provided the Government manages the situation with skill.

In August, when opening the Bilbao Samples Fair, the new Minister of Commerce, Señor Faustino Garcia-Moncó, made a forthright pronouncement on the lines of his future policy which was entirely in accord with the views of the OECD. He gave first place to the need for a liberal import policy in order to stabilize food prices and prices generally, to promote competitive conditions in industry, and to assist the vital export sector by providing cheaper materials. He came out strongly against raising the support prices for farm products or cutting down food imports as solutions to the agricultural depression. Before the OECD report appeared the Spanish Government had already embarked on a programme of food imports and declared that it would not raise the guaranteed price for wheat in the coming season, a reversal of its policy last year. It had also announced measures to restrain the building boom: a ban until October on permits for State-subsidized dwellings and a limit on their number thereafter, together with stiffer credit terms. Close control over public spending had also been promised. Since then, the Ministry of Commerce has announced tariff reductions to counter what it considers unjustified price increases in certain sections of the home market. They affect some foods, some chemicals and metals, and above all a wide range of textiles; and the Ministry has given notice that other reductions will be made when the price movement requires it. A new list of articles that may be imported without restriction (though paying tariff duty), the eleventh such list since import liberalization began, is expected before the end of the year. Meanwhile, import licences granted and import declarations accepted in the first eight months of this year amounted to $2,364 m. compared with $1,615 m. in the same months of 1964.

The Spanish economic Ministries are evidently convinced of the rightness of the OECD's recommendations; but they do not entirely share its optimism, and still less do Spanish economic observers and the business community. To the Spaniards things do not seem so simple as they do to their international advisers. Spanish businessmen do not find the immediate prospect particularly encouraging. Trade is stagnant at the moment, and meanwhile they are having to meet higher labour costs and higher taxation, and the likelihood, in view of the projected government expenditure under the Development Plan, that taxation will rise. Competition in the home market from more highly capitalized foreign firms is becoming keener every day, and the expectation of reduced profit margins is reflected in the low quotation for industrial shares on the

Spanish stock exchanges. The doubts felt in government departments can be seen from a commentary on the OECD report that appeared in the weekly review published by the Ministry of Commerce.[1] This said in effect that, sound as the OECD recommendations were, it would be difficult to prevent their having a deflationary impact and arresting the process of economic development. What else could be expected from refusing to support agricultural prices at a time when farmers are in sore straits; from restricting building activity, with inevitable repercussions on subsidiary industries; and from reducing State expenditure, which means holding up urgently needed reforms of the infrastructure from transport to education?

The Spanish Ministries are probably also not so happy about the foreign trade balance as the OECD seems to be. Imports during the first six months of this year were rising at an annual rate of 30 per cent, and at a much steeper rate in the later months, while exports fell in value by over 11 per cent compared with the same months of 1964, and accounted for less than a third of the cost of the imports. The official figures at the end of July showed a deficit in the overall balance of payments, despite high earnings from the tourist traffic, of some $87 m., after several years during which the balance of payments has been favourable and enabled Spain to build up her present solid foreign-exchange reserves. Spanish concern, however, is due not so much to the past figures as to the future outlook for exports. The high level of exports last year, to which the OECD points as an example of what Spain can achieve through free enterprise, has not been maintained this year and seems even less likely to be equalled in the near future. Spain's exports still depend mainly on agricultural products, and above all on citrus fruits—oranges and others—three-quarters of which go to the Common Market. The Common Market's Regulation 23, due to come into force and aimed against cheap fruit and vegetables from outside countries, will deal a serious blow to this trade. Spain's exports are vitally dependent on the Common Market; but negotiations for a commercial agreement continue to hang fire.

In the circumstances the Spanish Government, while following the general lines of the OECD recommendations, will probably reserve itself a good deal of liberty of manœuvre, as it has done in the past. Imports will continue to be liberalized, but, when Spanish industries are likely to be hard hit, liberalization will be preceded by a raising of tariffs or followed by administrative delays in granting import permits. There may be other back-sliding in the face of protests from industry and agriculture or depressed areas. This Spanish pragmatism may slow up the rate of development, but will make it smoother and surer in the long run.

[1] *Informacion Comercial Española*, 12 August 1965.

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